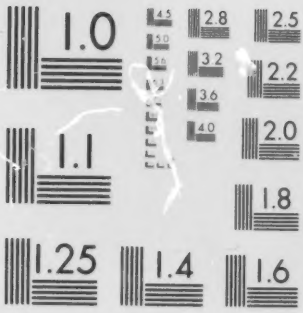

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ABSTRACT

A revised version of an earlier manual, "A College Planning Cycle" (1975), is presented. The concepts of planning and budgeting in colleges are introduced with emphasis on the importance of various participants in the process. The model of the National Association of College and University Business Officers (NACUBO) is described, and a logical approach to implementing the planning process is outlined. The NACUBO process is further detailed by relating the tasks involved to the planning participants, forms, and calendar. Revenue planning is also integrated with expenditure planning and evaluation is discussed as it relates to the process. Managerial control issues that are vital in translating plans into operational budgets are discussed. These issues include budget control, cash management, student financial aid, debt policy, capital budgets, and deferred maintenance. Four case studies that demonstrate how individual institutions may adapt the NACUBO model to their particular needs are presented. Planning forms for the fictitious Peoples College are referenced with the planning tasks, participants, and calendar dates outlined. In the appendix, a complete set of blank planning forms is included as a possible planning aid. (SW)

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A Planning Manual for Colleges

John Dozier Sherwin Howard Robin Jenkins M.J. Williams, Jr.

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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Preface

In a 1961 publication entitled *Needed: A Ten-Year College Budget,* Sidney Tickton issued a call for planning. At the beginning of the "golden years" of the 1960s, Tickton saw the need for a rational approach to institutional planning. As higher education approached the end of the decade, the rate of growth and the flow of dollars to support this growth slackened. Casual and careless planning for the future and budgeting that reviewed plans only to use the anticipated 8 to 10 percent increase in available income were no longer acceptable techniques.

Colleges with a black heritage, in which economic bases were minimal, were especially hard hit. Recognizing this fact and seeking to help, NACUBO appointed a committee in 1966 made up of James W. Bryant, Kenneth R. Erfft, James J. Ritterskamp, Jr., Clarence Scheps, and Fred S. Vorsanger. This committee secured financing from the Esso Education Foundation and from the Ford Foundation to determine specific assistance needed by these institutions. During 1967, consultants visited ten selected colleges to study their administrative practices and to make recommendations for improvements. On the basis of these visits and the resulting reports, three areas were identified as needing the most attention and providing the most hope for constructive improvement. These areas were planning, budgeting, and accounting; personnel administration; and construction management.

Peat, Marwick, Mitchell & Co. provided consulting services and assisted in developing *A College Operating Manual*, which was issued in 1969. The committee members and consultants were aware that many budgeting systems and monographs about planning already existed. Most of these systems, however, were not applicable to a small, economically deprived college. Such an institution was not ready to use computer simulation modeling or to develop a sophisticated, output-oriented planning, programming, budgeting system (PPBS). Most of the institutions involved in the original study were private, liberal arts colleges without significant graduate, research, or public service programs. NACUBO believed that the typically small, financially deprived college with a black heritage would benefit from a manual providing concepts and techniques to insure optimum use of limited resources.

The manual had a far broader acceptance than was first envisioned, and the concepts embodied in it survived remarkably well. Over the four-year span from 1969 to 1973, workshops on planning and budgeting presented the system to more than 1,000 persons from 500 institutions as a logical way to organize the process of planning and budgeting. More than 1,500 copies of the manual were purchased.

NACUBO staff members carefully reviewed the responses of workshop participants and institutional administrators using the NACUBO planning material to determine what changes were desirable. In 1974, they decided that a revised edition of the manual should be published. Once again, the Ford Foundation provided funding for this project, and NACUBO took steps to prepare *A College Planning Cycle.*

The authors and review committees involved in producing the original manual felt strongly that planning and budgeting are inseparable. They also believed that good management requires a team approach and sound, well-documented policies and procedures. The staff of NACUBO and the writers of revisions have shared these beliefs. Because planning and budgeting are inseparable, the process must be continuous if it is to be effective. These are necessarily "team" activities.

A College Operating Manual was, by design, written to assist consultants. The process was described in brief, concise language, assuming that the consultants would provide necessary elaboration. *A College Planning Cycle*, on the other hand, was designed to be used by interested members of the institutional community, without the assistance of consultants.

J. Leslie Hicks, Jr., Denison University, was chairperson of the steering committee for *A College Planning Cycle*. Other members of the committee were James W. Bryant, Robert R. Moton Institute, Inc.; James R. Jordan, the Ford Foundation; William A. Shoemaker, Council for the Advancement of Small Colleges; Marwin O. Wrolstad, Lawrence University; and the two authors of the revision, John Dozier, Kalamazoo College, and Sherwin Howard, Lawrence University. The steering committee was under the sponsorship of NACUBO's Programs for Small Colleges Committee, chaired by A. Dean Buchanan, California Lutheran College.

In 1978, NACUBO received another grant from the Ford Foundation to complete the present revision, *A Planning Manual for Colleges*. Additions include a description of initiation of the planning process, evaluative techniques to insure that the process is functioning properly, and case studies showing how the process has been adapted at four institutions. Special thanks are due to administrators at Arkansas College, California Lutheran College, St. Mary's University, and Xavier University, the four institutions studied.

The steering committee for this manual included Thomas O. James, Birmingham Southern College, chairperson; Robert W. Anderson, Grinnell College; Paul Aslanian, Macalester College; James W. Bryant, Robert R. Moton Institute, Inc.; A. Dean Buchanan, California Lutheran College; Virginia Fadil, National Association of Independent Colleges and Universities; J. Leslie Hicks, Jr., Denison University; James R. Jordan, Ford Foundation, "on loan" to the American Council on Education; B. A. Little, Moton Management Improvement Program; Charles C. Teamer, Dillard University; Richard Thomas, Arkansas College; and Lucius A. Williams, Tuskegee Institute. Most of these persons have been associated with higher education's efforts at planning during the past ten years, their counsel is invaluable.

NACUBO staff members participating in this project were D. F. Finn, Robin Jenkins, and M. J. Williams, Jr.

Introduction

Informal planning, budgeting, and evaluation processes have been used in colleges and universities for nearly as long as such institutions have existed. Many college administrators, however, have failed to develop these informal processes into formal systems because they have neither clearly defined the organization of their institutions nor established a calendar of planning, budgeting, and evaluation.

Other administrators may have avoided or delayed the planning process because they felt their institution's management information system was not sufficiently sophisticated. Institutions should, of course, strive for an adequate management information system in developing their internal recordkeeping and control processes. However, every institution should recognize that such a system already exists in its course registration and billing process for students and in its financial system for recording and allocating revenues and expenditures; although improving that system for planning, budgeting, and management purposes should be a constant goal, its very existence means that a great amount of information is available for planning.

The purpose of a fund accounting system is more fiduciary than management-related, yet its use for basic recordkeeping and financial reporting in higher education serves necessary management purposes. Other accounting systems can provide greater detail and can make possible more comprehensive and accurate program analysis, which can be useful for management decisions. However, if an institution's accounting system is maintained in accordance with the standards established by NACUBO and the American Institute of Certified Public Accountants (AICPA) and if it has been determined through an external audit by a CPA firm to be in accordance with generally accepted accounting principles, sufficient financial data are available to provide the financial information—historical, present, and projected—necessary for the institution's planning needs.

A more sophisticated management information system should be developed as an outgrowth of an adequate planning system—after an institution has reached the highest level of sophistication that can be achieved with available accounting, registration, and other information. Only when the need for a higher level of sophistication in planning is clearly recognized should staff effort be devoted to increasing the management information system's sophistication. Administrators in even the largest, most prestigious institutions recognize the importance of the basic tenet that expenditures must not exceed revenues if their institutions are to remain financially viable; each institution must determine the level of sophistication it requires from a management information system to meet its particular needs.

Management information systems—at whatever level of sophistication—exist to provide information to managers, not to resolve the management issues that must be faced. A complex institution may require a complex management information system to clearly identify its financial needs, yet administrators should guard against the tendency to develop sophisticated systems that are based on an inadequate foundation of accurate financial and student information from the business and registrar's offices.

The National Association of College and University Business Officers (NACUBO) began fifteen years ago to develop a planning model for colleges and universities. This manual is a revised edition of NACUBO's 1975 publication, *A College Planning Cycle*. It incorporates discussion of the dual nature of the planning process (projections must be made for revenues as well as for expenditures); an institution's approach to implementing the process; integration of evaluation into the process; and adaptation of the NACUBO planning model by individual institutions, as illustrated by four case studies.

A brief overview of the manual may be helpful to the reader. Chapter 1 introduces the concepts of planning and budgeting in colleges, with emphasis on the importance of various participants in the process. The chapter also describes the NACUBO model and outlines a logical approach to implementing the planning process.

Chapter 2 further details the NACUBO process by relating the tasks involved to the planning participants, forms, and calendar. Chapter 2 also integrates revenue planning with expenditure planning and discusses evaluation as it relates to the process.

Chapter 3 addresses managerial control issues that are vital in translating plans into operational budgets. These issues include budget control, cash management, student financial aid, debt policy, capital budgets, and deferred maintenance.

Chapter 4 presents four case studies that demonstrate how individual institutions may adapt the NACUBO model to their particular needs.

Planning forms for the fictitious Peoples College are referenced with the planning "tasks," participants, and calendar dates outlined.

An appendix, a complete set of blank planning forms, is included as a possible planning aid to the reader.

1 The Planning Process

In this chapter:
Planning, Budgeting, and Evaluation
Planning as a Humanistic Process
Participants in the NACUBO Model
Implementing the NACUBO Model
Data Required for Planning

The key functions of college management are planning, organizing, executing, controlling, and evaluating. These functions are essential to effective management; they have been required of college managers since the first institutions came into existence. Their primary purpose is to insure that members of the college community determine the best use of people, materials, equipment, and space.

For many years, the president personally planned and organized the administrative and academic structure of the college, determined institutional priorities, carried out college policies, controlled fiscal operations, and evaluated the institution's overall effectiveness. With increasing government regulation, diversification of revenue resources, proliferation of curricular demands, faculty unionization, and the appearance of technical and specialized mid-level managers, however, presidents can no longer govern an institution so autocratically.

This is not to say that presidents no longer plan, organize, execute, control, and evaluate; on the contrary, they are now required to do a better job. A president who is to effectively meet the challenge of governing a modern college community must systematically organize managerial functions throughout the college. The planning, budgeting, and evaluation process provides a systematic approach to enable the president to govern more effectively.

As explained in *College and University Business Administration* (Third Edition, National Association of College and University Business Officers, 1974), a statement of mission, purpose, or philosophy should precede all planning efforts. Although mission statements are typically written in general terms, to be effective they must be specific enough to condition each planning decision; that is, planning decisions should be derived from them. A statement of mission provides direction and integrity in planning and makes possible the definition of goals and objectives.

Ideally, statements of mission and goals provide guidance on such questions as:

- What constituency does the college serve?
- Is it public or independent?
- What priorities exist?
- What roles do instruction, research, and public service play? How do these roles interact with and reinforce one another?
- What degrees are granted?
- Are degree programs aimed toward liberal education, professional ends, vocational ends, further education, or some combination of these? Statements of mission are discussed further in chapter 2.

Planning, Budgeting, and Evaluation

Planning allows members of a college community to anticipate future program consequences within the context of certain external and internal assumptions. Planning is an organizing process that brings together new ideas with future economic and social realities and answers qualitative as well as quantitative questions.

Through the planning process, participants establish program goals and objectives, examine alternative program choices, and develop a controlled budget strategy in which program needs are matched with anticipated revenues. Projected revenues are identified and are developed into an institutional revenue plan, which then allows faculty and staff to plan their budgets.

Budgets are the practical, fiscal plan of operation for the college. They are the blueprints for executing program plans; they also serve as control mechanisms to match the anticipated revenue plan. Budgets translate departmental priorities into reality. The *request budget*, developed during the planning cycle, indicates what resources are sought and for what purpose. It is usually larger than the *expenditure budget*, which specifies uses of the resources actually provided.

Evaluation is the systematic examination of institutional programs to provide information on the program's short- and long-term effects. While program evaluation may include consideration of work load measures, operating procedures, or staffing, it focuses chiefly on measuring the program's success at achieving predetermined goals and on its effect on the institution. Evaluation aimed solely at a program's internal procedures, staffing, and management might better be labeled management evaluation or operational auditing. As used in this manual, the term refers to the program evaluation that completes the planning, budgeting, and evaluation cycle.

Although planning, budgeting, and evaluation are inseparable, the relationship among these activities should be understood. Planning educational and support programs should precede adoption of a budget. Of course, the interval between the two activities is slight, and program plans generally are formulated with at least gross cost estimates in mind. Those responsible for the budget are inevitably faced with the problem of allocating scarce funds among competing programs; more often than not, resource allocation decisions are simply constrained choices. Evaluation of program results, the conclusion of the cycle, provides necessary information for decision making in planning.

To be effective, the process of planning, budgeting, and evaluation must be comprehensive and continuous. Since planning, budgeting, and evaluation are integrated, all of these activities are included in the cycle described as the planning process in this manual.

Elements of the Planning Process

- ***Determine what is to be done*** **by setting institutional goals and making academic program decisions.**
- ***Develop operational plans*** **to achieve goals, in the form of support programs and budgets.**
- ***Adopt controls*** **(operating statements) to test whether plans are being followed.**
- ***Establish a system of evaluation*** **to analyze and measure results.**

Planning as a Humanistic Process

The planning process is political and centers around the use of authority. When a formal planning system is implemented for the first time, some members of the college community are inevitably disturbed, because the process changes the known political dynamics. To insure that constituent units understand who has authority for decision making, a formal planning system must be used. There are, of course, alternative systems for gathering, analyzing, and using information, but the practical system described in this manual can be used by any institution. It can be used with elements taken from other systems, yet is complete in itself.

Because of the nature of educational institutions and the typical involvement of all departments in the planning process, an opportunity for participatory governance is necessary. Constituent groups expect to be heard and administrators (especially presidents) must be prepared to delineate clearly the decision-making processes of the institution and the relationship of planning to budgeting and evaluation. Budgets that are not based on carefully conceived educational plans and program decisions are generally vague estimates, and thus require constant updating.

The NACUBO planning model is based on the involvement of people. Traditionally, participants in the planning process included the president, governing board, faculty, and students. A planning officer, appointed by the president, and two groups unique to this model, a planning team and an analytical studies team, are the means through which the process is carried out. The NACUBO model specifically defines participants' roles in the process.

Participants in the NACUBO Model

Clearly, presidential leadership is the first step in establishing an effective planning process. A college president must believe in the system, support it, and make it function.

President

- **Leads the planning effort.**
- **Explains concepts involved in the formal plan.**
- **Establishes a planning team.**
- **Appoints a planning officer on the advice of the planning team.**
- **Establishes an analytical studies team.**
- **Receives recommendations from key committees.**
- **Reviews program plans.**
- **Determines recommendations to be made to the governing board.**
- **Explains to concerned groups any radical departures from recommendations received.**

Although the president is the chief operating officer of the institution, legal authority for the operation of most colleges is vested in the governing board. It is crucial that board members understand and participate in the planning process; they should insist on well-documented, logical plans and budgets. Only then can the board be fully informed about the direction the institution is taking.

Governing Board

- **Organizes itself to oversee planning activities.**
- **Develops, with administrators, a planning calendar.**
- **Addresses policy issues arising from the planning process.**
- **Develops, with administrators, a statement of mission.**

The central body in the process is the planning team, which should be made up primarily of senior administrators, with possible representation from constituent groups. The president should serve as chairperson and the planning officer as secretary. A vital element in the planning process, this team serves as the determining body in development of the preliminary and final plan and budget.

Planning Team

- **Develops preliminary internal and external assumptions for the planning process.**
- **Determines a five-year plan and budget for operations.**
- **Determines a five-year capital budget.**
- **Determines a five-year cash flow projection.**
- **Determines a five-year revenue projection.**

A planning officer appointed by the president coordinates planning activities among departments, the analytical studies team (discussed later in this section), and the planning team. Since this person facilitates the planning process, he or she should be skilled in organizing material, interpreting statistics, and expressing ideas. The position requires at least one-half of an employee's time.

Planning Officer

- **Develops planning calendar.**
- **Serves all committees.**
- **Keeps minutes of meetings.**
- **Coordinates development of the data base for planning.**
- **Maintains communication among all groups.**

The NACUBO model illustrates a procedure for making annual operating plans and budgets. An analytical studies team, composed mainly of faculty, with a faculty member as chairperson, may initially be appointed by the president, although the faculty should generally elect its representatives. This team reviews preliminary department plans to determine their validity with respect to past performance, college policies, and external assumptions.

To insure that the group includes experienced members, rotation cycles for analytical studies team members should be staggered. Because of the time demanded by the job, faculty serving on this team should probably not serve on other committees. The team should have access to all pertinent institutional data except for individual salaries.

Analytical Studies Team

- **Receives annual internal and external assumptions developed by the planning team.**
- **Reviews department plans and budgets and compares future plans with mission statement, environmental assumptions, and past performance.**
- **Prepares final recommendations for the planning team.**

Exhibit 1.1 is a simplified flow chart of the NACUBO planning model. Departmental units are requested to prepare five-year plans and budgets. After review by the planning and analytical studies teams, these plans and budgets are incorporated into a long-range plan, which becomes the starting point for the next annual cycle. The system may be adapted to fit particular institutional situations, but certain key features must remain: a planning and budgeting calendar of events (exhibit 1.2); two separate groups, the planning team and the analytical studies team; wide participation; and an annually updated five-year plan.

Implementing the NACUBO Model

While some form of planning exists in most colleges, the processes used are often not effective and thus need to be modified. Using the outline that follows, institutional managers should examine their current planning techniques to determine whether incorporating features of the NACUBO model could improve their planning ability.

Planning cannot work without the president's support. The president needs to ask:

- Is the current planning calendar timely? Is it being followed?
- Are enough persons involved in the planning process?
- Does a gap exist between the planning and budgeting cycles? (In an ideal situation, next year's plan would be the budget.)
- What type of evaluation process exists? Is it coordinated with the planning and budgeting process?
- How can the NACUBO planning model help to steer the institution in the right direction?

The president should create and chair the planning team, which will begin by reviewing existing long-range plans; revising or rewriting, if appropriate, the college's statement of mission; and developing a set of assumptions for a five-year planning period. These planning assumptions include external factors (exhibit 2.2); historical data (exhibit 2.3); and internal factors (exhibit 2.4).

From these environmental assumptions, the planning team can establish programmatic and financial goals to be achieved by the end of the five-year cycle. (*Goal* implies something less remote and more definitive than *mission*, while an *objective* is yet more specific.) Goals should be stated in qualitative terms; where appropriate, quantitative targets should also be indicated.

Institutional objectives may be regarded as the annual components of the five-year goals. Regardless of whether a goal or an objective is being identified, the planning team should always designate the evaluation criteria by which the goal or objective will be judged.

Both brevity and inclusiveness are important in preparing the planning documents. Through the president, who serves as its chairperson, the planning team forwards the documents, together with the internal and external assumptions from which they were derived, to the governing board for approval.

The president must persuade the governing board that the planning process used by the college needs to be strengthened. The board must make necessary changes in its organization to address planning and budgeting activities effectively; such changes might, for example, involve establishing a board committee to make detailed reports to the full board.

Exhibit 1.1
The Planning Process: A Simplified Flow Chart

1. The cycle begins with an existing long-range plan or, if no plan exists, with preparation of basic planning assumptions. The planning team reviews the existing plan, prepares basic planning assumptions, secures governing board approval, and initiates the process by requesting academic and support departments to prepare plans and budgets. (See tasks 1-8 of exhibit 1.2, "Planning Calendar—Initial Year.")

2. Using information they receive in the basic planning assumptions, first academic and then support departments prepare five-year department plans and budgets. (See tasks 9-21 of planning calendar.)

3. After they are reviewed by the planning team, department plans, together with revenue estimates, staffing tables, and enrollment projections, are given to the analytical studies team, which evaluates their consistency, compatibility, and economic feasibility and then recommends modifications to the planning team. (See tasks 22-26 of planning calendar.)

4. The planning team comments on the analytical studies team's proposals, prepares final planning and budgeting documents, and forwards them to the governing board for review and approval. (See tasks 27-32 of planning calendar.)

5. Following governing board approval, the finished plan is published and will become the starting point for the next annual planning cycle (item 1 above).

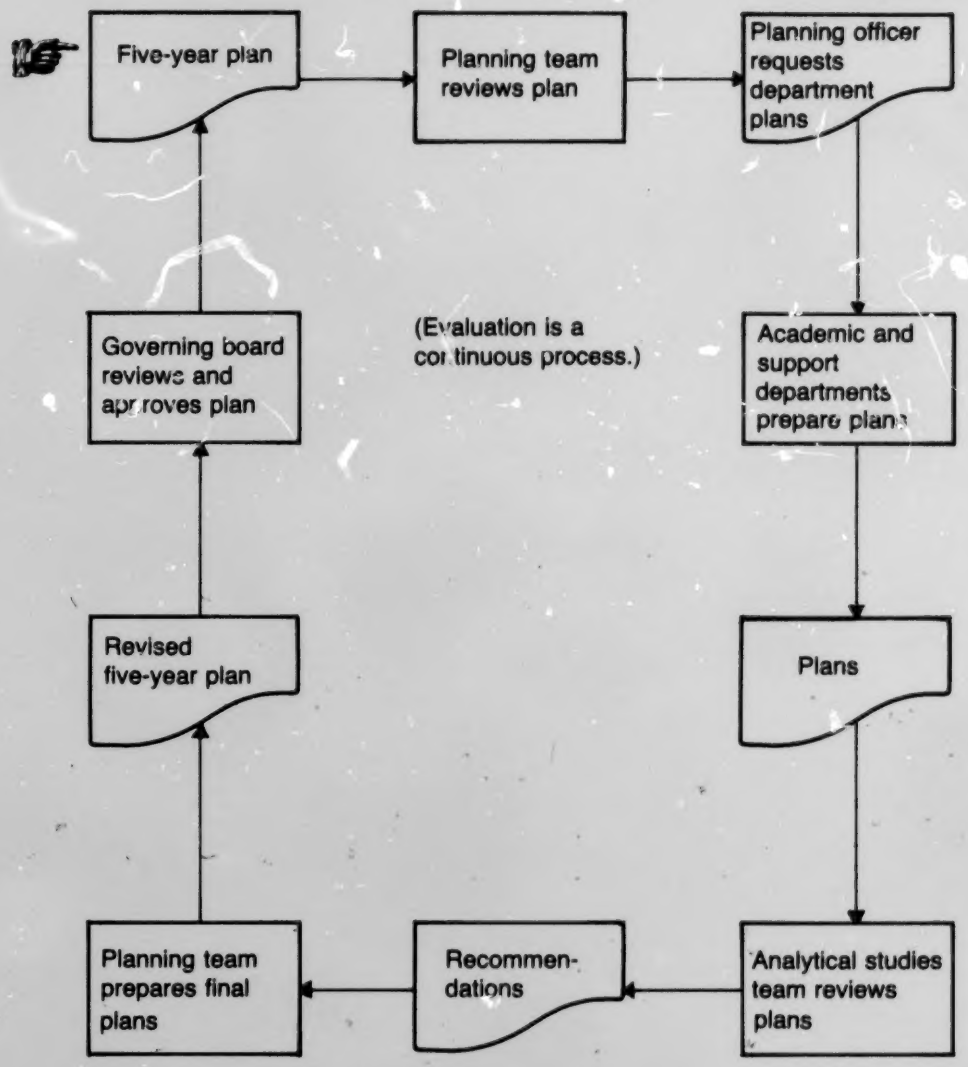


Exhibit 1.2
Planning Calendar—Initial Year

Participants	Tasks	May 1	June 1	July 1	August 1	September 1	October 1	November 1	December 1	January 1	February 1	March 1	April 1	May 1	June 1	July 1	Exhibits
	Planning assumptions																
President	1. Appoint planning team and planning officer	●															
Planning team	2. Review existing long-range plan	●	●														2.5 a-d
	3. Propose revisions to previous assumptions	●	●	●													2.1-2.4
President	4. Secure governing board approval of revisions			●													
Business officer	5. Prepare revenue estimates	●	●	●	●												2.5-2.10
Planning team	6. Prepare other planning assumptions	●	●	●	●												2.6
Planning officer	7. Prepare request for department plans			●	●	●											
President or faculty	8. Appoint or elect analytical studies team				●	●											
	Academic department plans																
Department head	9. Review request for department plans					●											
and faculty	10. Prepare updated department plans					●	●	●									2.11-2.18
Academic dean	11. Review department plans					●	●	●									
	12. Review total academic program					●	●	●									
Planning officer	13. Prepare summaries of all department plans					●	●	●									2.19-2.21
Planning team	14. Review plans and summaries						●	●									
Planning officer	15. Prepare request for support department plans						●	●									
	Support department plans																
Department head	16. Review request for department plans							●									
	17. Prepare updated department plans							●	●	●							2.22-2.26
Appropriate vice-president	18. Review department plans							●	●	●							
Planning officer	19. Prepare summaries of all department plans							●	●	●							
Planning team	20. Review plans and summaries								●	●							
Planning officer	21. Prepare materials for analytical studies team								●	●							
	Program plans and preliminary institutional budget																
Analytical studies team	22. Review all department plans and summaries									●							All
	23. Review preliminary institutional budget prepared by business officer									●	●						
	24. Determine potential conflicts									●	●						
	25. Prepare modifications										●	●					
	26. Distribute draft of recommendations											●					
	Final plan and budget																
Planning team	27. Review analytical studies team proposal											●	●				
	28. Resolve differences											●	●	●			
President	29. Submit final plan to governing board													●	●		
Planning officer	30. Distribute copies of final plan													●	●		
Business officer	31. Make adjustments to planning budget												●	●	●		
Planning team	32. Distribute detailed budgets														●		
	Evaluation																
All	33. Identify relevant objectives	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
	34. Identify corresponding evaluation criteria																2.27, 2.28
	35. Analyze evaluation results																2.29

The governing board should:

- Review and approve the institution's statement of mission.
- Evaluate the effect of external and internal conditions on future plans and assess future needs.
- Review the long-range plan by identifying and establishing priorities for competing program goals among departments and by considering proposals for new programs, determining whether additional resources or reallocations of existing resources are necessary.
- Approve the long-range plan.

The planning team should appoint a planning officer to facilitate the process. The president should appoint, or the faculty elect, an analytical studies team that reviews preliminary department plans to determine their validity with regard to past performance, college policies, and internal and external assumptions.

The planning team and planning officer must realize the importance of educating others in planning techniques. Implementation of the process is much smoother if department chairpersons and others in a managerial capacity understand it thoroughly; they should be provided with planning information so that they may conduct seminars for their staffs. The planning information should include:

- A statement of purpose and expectations for the planning process.
- A planning calendar (exhibit 1.2).
- Forms such as the exhibits in chapter 2.
- A statement from the president about how planning fits into the governance of the institution.
- A list of participants and their functions.

Data Required for Planning

An institution undertaking planning for the first time invariably discovers a lack of adequate data. Adequate data for planning may, in fact, be a contradiction in terms. Certain minimal information, however, is essential. The questions of who develops data, how data are developed, and who maintains data must be answered by each institution individually.

Adequate planning requires pertinent, accurate data of the following kinds:

- Staffing tables, including projected sabbatical leaves.
- Cost of instruction by department.
- Total cost of instruction per student in various majors.
- Student aid (by type) per student.
- Faculty and department course load (faculty-wide).
- Student enrollment (FTE) by department and by class.
- Faculty compensation by rank.
- Balance sheet assets (current, endowment and similar, loan, and plant funds).
- Projections of enrollment, cash flow, and capital expenditures.

If much of this information is already available, it is a relatively simple matter for the planning officer to collect and organize it for use in planning. Other data may be gathered through the planning process itself (see the planning forms in chapter 2). The trial cycle will identify clearly the nature and extent of missing data.

Because the "shelf life" of information varies, different data may be collected in different years. In an institution of stable enrollments, with no new buildings being added, there is little need to request space utilization data each year. On the other hand, cost per student credit hour, which may vary greatly from year to year, should be collected annually. If computer facilities are available, the tasks of gathering and analyzing data may be expedited; a variety of existing data-gathering systems may be used with the planning and budgeting system.

2 The NACUBO Planning Model

In this chapter:
Planning Assumptions
Academic Department Plans
Support Department Plans
Program Plans and Preliminary Institutional Budget
Final Plan and Budget
Evaluation

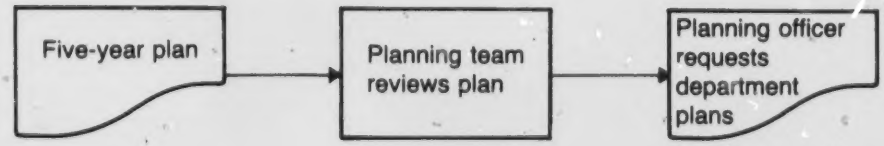
Chapter 1 identified and described the roles of the various planning participants in the NACUBO model and outlined a systematic approach to implementing the process. A simplified flow chart (exhibit 1.1) and a planning calendar (exhibit 1.2) related participants to planning activities and initial-year dates and to various planning forms. This chapter describes the planning process in detail, using the flow chart and planning calendar as a basis.

Planning Assumptions: Tasks 1-8

The cycle begins with an existing long-range plan or, if no plan exists, with preparation of basic planning assumptions. The planning team reviews the existing plan, prepares basic planning assumptions, secures governing board approval, and initiates the process by requesting academic and support departments to prepare plans and budgets.

After the president has committed the institution to planning, and particularly to using the system described in this manual, the planning team should review existing long-range plans.

A brief check list of activities required in this part of the process follows. As in later check lists, planning participants responsible for completion of each task, relevant exhibits, a suggested time frame for the initial planning year, and necessary tasks are indicated here.



Check List 1
Planning Assumptions

Participants:
- Governing board
- President
- Business officer
- Development officer
- Planning officer
- Directors of admissions and financial aid
- Registrar
- Planning team

Exhibits: 2.1-2.10

Calendar: 5½ months (May 1 to September 15)

Task 1: Appoint planning team and planning officer (president).
Task 2: Review existing long-range plan (planning team).
Task 3: Propose revisions to basic planning assumptions (planning team).
Task 4: Secure governing board approval of revisions (president).
Task 5: Prepare five-year revenue projection (business and development officers).
Task 6: Prepare other internal and external planning assumptions (planning team), such as enrollment projections (registrar and director of admissions).
Task 7: Prepare request for academic department plans (planning officer).
Task 8: Elect or appoint members to the analytical studies team (as institutional politics dictate).

Task 1

For information on the planning team and officer, see "Participants in the NACUBO Planning Model," chapter 1.

Task 2

If no long-range plans exist, or if existing plans do not contain pertinent current information, it is necessary to create the basic documents that will provide a philosophical and practical setting for planning, such as the purpose of the institution and factors likely to assist or hinder this purpose. These *basic planning documents* must include a:

- Statement of institutional mission.
- Statement of pertinent college policies.
- Summary of external environmental assumptions.
- Summary of internal or institutional environmental assumptions.

Statements of mission are often prepared by committees, with the result that they are typically broad, trite, and limited in usefulness. While there is nothing wrong with such statements as "The college views itself as a community of scholars," "The college seeks to understand the nature of things," and "Our enterprise is a pursuit of the liberal arts tradition," they do not adequately describe an institution. They suggest nothing unique, are not useful for measurement, and do not help in making decisions about implementing new programs or eliminating old ones. In short, they are not very useful for planning decisions.

At a minimum, a statement of mission and goals should clarify whether an institution is public or independent, what degrees are available, what constituency it serves, and what characteristics contribute to its uniqueness. A statement of mission might also include expected results—ones that can be measured or observed.

One of the first challenges facing the planning team is to commission the creation of a statement of mission that represents a consensus of those involved in operating the institution and is at the same time simple, direct, and defined in terms of measurable objectives. While members of the planning team need not actually write the statement, they certainly should arrange for its writing and see that it is completed.

The second basic planning assumption, *college policy*, is probably easier. Institutions have more policies than have ever been documented. Only the most pertinent sections of existing faculty and staff handbooks, student handbooks, minutes of governing board meetings, and similar documents should be collected. While the statement of college policy is not intended to be inclusive, the following areas should be covered in the basic planning assumptions: teaching methods, academic calendar, student services, make-up of the student body (such as percentage of residential students), transfer student eligibility, freshman enrollment, student/faculty ratio, distribution of faculty by rank, tenure and promotion policy, average faculty teaching load, activities other than instruction, staff support policies, benefits, administrative structure of the institution, general economic background of the student body, balanced budget, tuition, student aid, auxiliary enterprises, research, public service, and any other policies having direct fiscal implications. A judicious blend of brevity and inclusiveness is important in preparing the statement of college policy; together with all other parts of the basic planning assumptions, it will be distributed widely.

The third and fourth of the basic planning assumptions are *external and internal environmental factors*. For purposes of documenting these assumptions, simple statements about the world situation, gross national product, anticipated trends in the price level of goods and services, national attitudes toward higher education, and the number of students expected to be enrolled in higher education may be adequate. On the other hand, specific statistical data about such factors as the number of persons in the regional school-age population, enrollment in certain courses, student retention, tuition, projected fuel increases, and telephone rate projections will be immediately useful to department planners.

The environmental assumptions and statistical data selected as part of the basic planning assumptions must be related closely to institutional objectives and should reflect distinctive features.

Exhibit 2.1a
Statement of Mission
Peoples College

Peoples College is a small, independent college dedicated to providing undergraduate instruction in liberal arts, engineering, and business administration. Special emphasis is placed on providing continuing education opportunities to residents of the nearby urban community.

Exhibit 2.1b
Statement of Academic Goals
Peoples College

Students. Peoples College strives to achieve a balanced student body, with strong representation of minority and women students. Regular students are expected to attend classes on a full-time basis, with only a small fraction taking less than a full course load. Only students in the continuing education program are encouraged to attend classes on a part-time basis.

Faculty. In order to maintain an excellent teaching and research faculty, college policy provides that at least 85 percent of faculty members should have a doctoral degree. The ratio of tenured faculty is closely monitored and is maintained at less than 80 percent. The college is also committed to seeking a balanced faculty, with special attention being given to recruiting women and minorities.

(Other subjects covered should include individual academic programs, undergraduate and graduate education, research, public service, and student access.)

Exhibit 2.2
Environmental Assumptions (External)
Peoples College

Economic situation. The national growth rate will be lower, perhaps negative, and inflation will remain high, at least 10 percent. Secular unemployment may persist. Per capita income will grow more slowly. The growth rate of the local community should continue to increase due to the shift in population to this state and to the effective use of its natural resources, primarily coal and water.

Construction price index. Current trends indicate an increase ranging from 7 to 9 percent over the present. Capital budgets have been adjusted to reflect the estimated increase in the construction index.

Alternative educational patterns, continuing education. The most pervasive influences are the decreasing number of students of the traditional college-going age, the increasing number of older adults seeking education, and the increasing number of part-time students. The college is responding to these changing conditions with the new External Degree Program and with offerings in the Division of Continuing Education, particularly the "Weekend College."

National attitude toward higher education. Many persons are concerned about the high cost of college and perceive college training as unable to prepare students adequately for jobs. Other social issues, such as health care and full employment, will probably have a higher priority in funding decisions than will higher education.

State attitudes toward higher education. This state's residents will continue to support colleges and universities with enthusiasm. They will demand more services and opportunities, and their confidence will continue at its present high level.

State aid to independent colleges. The state's residents generally oppose use of public moneys in support of independent higher education. However, state appropriations are presently being made to several independent colleges, which may gain even more support from the legislature.

Exhibit 2.3
Environmental Assumptions (Historical Data)
Peoples College

Student Retention

Class of	Percentage of freshman students at Peoples College who return as: Sophomores	Juniors	Seniors
1976-77	74.6	59.4	40.3
1977-78	80.0	62.4	40.3
1978-79	78.0	64.1	39.3
1979-80	75.1	63.3	36.4
1980-81	81.6	60.0	—
1981-82	79.1	—	—

Student Fees

Year	Tuition	Percentage increase	Cost of living increase
1975-76	$ 2,400	8%	7%
1976-77	2,600	7.7%	9%
1977-78	2,700	3.8%	11%
1978-79	2,900	7.4%	13%

Selectivity of Admissions Policy

Year	Applied (A)	Admitted (B)	Matriculated (C)	(B/A)	(C/B)
1974-75	1,511	1,133	589	.75	.52
1975-76	1,684	1,078	636	.64	.59
1976-77	1,430	1,173	645	.82	.55
1977-78	1,322	1,150	621	.87	.54

Supporting statistical data depend in large part on the environmental assumptions selected for emphasis. Logical items might include:

- *Public versus private tuition.*
- *Source of income.*
- *AAUP salary information.*
- *Student/faculty ratio.*
- *Tenured/nontenured faculty ratio.*
- *Expenditures per student.*
- *Public versus private enrollments.*

Exhibit 2.4
Environmental Assumptions (Internal)
Peoples College

Students and faculty. The tuition rate for 1979-80 is $3000. It is expected to rise to $4200 for the academic year 1984-85, reflecting a compound annual growth rate of 5 percent. During the same period, FTE enrollment is expected to drop from 1,780 to 1,685 due to an expected decline in the number of students of college-going age.

The size of the faculty is also expected to decline, from 118 to 98, during this period, with most of the decrease due to retirements and turnover.

The need for financial aid continues. With fewer students able to pay full tuition, the student aid budget will rise at a rate of 4 percent above the general rate of inflation. However, current and proposed federally sponsored aid programs should cover much of the increased costs. Currently, financial aid of $350,000 is allocated among 825 students. By 1984-85, the aid requirement is expected to increase to $430,000.

Compensation to the faculty, currently $2,580,000, is expected to increase to $3,555,000 in 1984-85. Increases in insurance premiums and social security taxes are raising the costs of benefits at a rate greater than that of inflation. This increase is largely responsible for the 38 percent increase in faculty compensation.

Additional material might include:

- *Description of the cost effect of changes in academic and support programs.*
- *Analysis of trends for executive, professional, technical, and clerical staffs.*
- *Special descriptions of items having a primary effect on the plan and operating budgets.*

Task 3

The cyclical nature of the planning process makes yearly evaluation and updating of the basic planning assumptions necessary. At the beginning of the planning process, it is probably better to err on the side of inclusion rather than exclusion of information, although there are obviously practical limits to this principle.

Responsibility for preparation of the statements and statistical data that constitute internal and external environmental assumptions belongs with the planning team. Any combination of persons may handle this task, including the team as a group; its individual members; special task forces of faculty, students, and administrators; or the planning officer.

The planning calendar allows five months for review and revision of basic planning assumptions to compensate for the discontinuity caused by vacations, faculty absences, and similar disruptions, but the planning team will generally be able to prepare most of the basic planning assumptions in less time. A statement of goals and objectives, on the other hand, may require a year's deliberation by a committee appointed for this assignment.

The assumptions being made, and the projections being created, are for a fiscal year beginning approximately fifteen months in the future. Thus, basic planning assumptions being prepared in May 1980 will anticipate the fiscal year beginning July 1, 1981.

Task 4

Once statements and data are available, the planning officer assembles them into a usable form. A copy of the basic planning assumptions should be sent to the governing board for review.

Task 5

Before department plans and budgets can be developed, the planning team must develop a five-year revenue plan. The business officer is responsible for estimates of revenues. For many items, estimates should be based on information supplied by others. As an example, anticipated revenues from tuition and fees generally are based on estimated enrollment data prepared by the registrar or director of admissions. These estimates should take into account general economic conditions, enrollment trends at the college and at similar institutions, attrition, and demographics.

The investment manager should assist in preparing estimates of earnings from investments. The earnings from each item in the portfolio should be projected, giving due consideration to economic trends, interest rates, dividend records and capital appreciation of stocks held, and the effect of any anticipated changes in the portfolio.

Estimates of revenues from unrestricted gifts and grants should take into consideration past experience, plans for appeals for funds, and alumni activities.

Because of the significance of sponsored programs, separate estimates should be made of revenues (and expenditures) related to them. These programs affect all other operating areas, including personnel and physical plant. Budgets for sponsored programs should be separately identified in the regular budget and adjusted during the year as new projects are undertaken and others are terminated.

Estimates of revenues from auxiliary enterprises should be based on enrollments and on past experience regarding the cost of operation of such units. Revenues should be estimated on a gross basis, including value of allowances for such items as room and board furnished to residence hall counselors and for compensation to staff members employed in the enterprises, for these must also be shown as expense. The director of auxiliary enterprises should prepare a budget for review by the business officer.

Estimates of revenues from other sources should be based on past experience adjusted for probable future conditions. Estimates of the prior year's balances that may be available for rebudgeting and estimates of balances of quasi-endowment, term endowment, and other funds that might be transferred to current funds for operating purposes should be considered in preparing estimates of unrestricted current funds.

Federal, state, and local appropriations must be estimated with the realization that such support ultimately depends on the actions of legislative bodies. If such appropriations are included in the federal, state, or local budget—and thus have the approval of the legislative body—the figures then may be accepted as final and the estimates may be used for institutional budget making. If the budget of the federal, state, or local government does not have the approval of the appropriate legislative body, the chief business officer or other administrator must confer with a member of the appropriate legislative body who has knowledge of the particular programs to be funded. In the state legislature, the chairperson of the appropriations committee or its equivalent would know the appropriation for higher education. Local government officials would know the amount of funds to be made available through the city or county government.

Exhibit 2.5a
Operating Budget and Long-Range Plan
Peoples College

Revenues (in thousands)

	Actual 1978-79	Projection 1979-80	Proposed budget 1980-81	Plan 1981-82	Plan 1982-83	Plan 1983-84	Plan 1984-85
Tuition and fees	$5,173	$5,370	$5,630	$5,905	$6,192	$6,492	$7,072
Private gifts and grants							
Unrestricted	615	610	661	693	688	722	731
Restricted	369	334	389	407	421	429	438
Federal grants and contracts	520	475	635	674	645	660	670
Endowment income	1,739	1,801	1,929	2,064	2,207	2,390	2,557
Subtotal	8,416	8,590	9,244	9,743	10,153	10,693	11,168
Auxiliary enterprises	1,231	1,347	1,801	1,927	2,047	2,204	2,305
Total	$9,647	$9,937	$11,045	$11,670	$12,200	$12,897	$13,473
Percentage increase	---	3%	11%	5%	5%	5%	6.5%
Breakdown by fund type							
Unrestricted	$7,527	$7,781	$8,220	$8,662	$9,087	$9,604	$10,360
Restricted	2,120	2,156	2,825	3,008	3,113	3,293	3,413

Exhibit 2.5b
Operating Budget and Long-Range Plan
Peoples College

Expenditures and Mandatory Transfers by Function (in thousands)

	Actual 1978-79	Projection 1979-80	Proposed budget 1980-81	Plan 1981-82	Plan 1982-83	Plan 1983-84	Plan 1984-85
Educational and general							
Instruction	$4,155	$4,315	$4,930	$5,181	$5,331	$5,600	$5,790
Research	166	110	190	200	210	220	220
Public service	83	80	95	100	102	105	105
Academic support	830	860	960	1,020	1,065	1,115	1,160
Student service	820	850	952	1,000	1,060	1,110	1,153
Institutional support	846	850	945	998	1,055	1,110	1,150
Operation and maintenance	997	1,029	1,162	1,225	1,275	1,338	1,385
Scholarships	150	160	170	180	190	200	210
Mandatory transfers	263	263	281	301	322	345	369
Subtotal	8,310	8,577	9,685	10,205	10,610	11,143	11,542
Auxiliary enterprises	1,284	1,376	1,472	1,576	1,692	1,811	1,882
Total	$9,594	$9,953	$11,157	$11,781	$12,302	$12,954	$13,424
Percentage increase	—	3.7%	12.1%	5.6%	4.4%	5.3%	3.6%
Increase of net revenues	53	(16)	(112)	(111)	(102)	(57)	49

Exhibit 2.5c
Operating Budget and Long-Range Plan
Peoples College

Expenditures and Mandatory Transfers by Object of Expense (in thousands)

	Actual 1978-79	Projection 1979-80	Proposed budget 1980-81	Plan 1981-82	Plan 1982-83	Plan 1983-84	Plan 1984-85
Educational and general							
Personnel							
Faculty salaries	$2,580	$2,640	$3,010	$3,160	$3,270	$3,430	$3,555
Other salaries and wages	1,268	1,280	1,290	1,305	1,340	1,390	1,440
Personnel benefits	539	548	597	622	647	688	699
Services	1,930	2,120	2,335	2,570	2,825	3,110	3,420
Supplies	1,185	1,220	1,394	1,597	1,536	1,490	1,349
Other current charges	395	410	460	470	480	490	500
Scholarships and fellowships	150	160	170	180	190	200	210
Mandatory transfers	263	263	281	301	322	345	369
Subtotal	8,310	8,577	9,685	10,205	10,610	11,143	11,542
Auxiliary enterprises	1,284	1,376	1,472	1,576	1,692	1,811	1,882
Total	$9,594	$9,953	$11,157	$11,781	$12,302	$12,954	$13,424
Percentage increase	—	3.7%	12.1%	5.6%	4.4%	5.3%	3.6%

In estimating expenditures, the general policies established in the long-range plan and the president's specific instructions for the annual budget being developed should guide department heads and others in preparing their budget requests. Among such policies are plans for expansion or curtailment, improvement of existing programs, and the development of new educational programs. Consideration must be given to the effect of fluctuation in prices, salary and promotion policies, vacation, leaves, and other employment benefits. Guidelines such as student/faculty ratios, class size, teaching loads, and staffing patterns may be helpful, but the use of rigid formulas should be avoided.

Provision should be made in the annual operating budget for contingencies and emergencies. The amount provided in contingency accounts depends on available resources, past experience, and the extent of economic and other uncertainties at the time the budget is prepared. If resources are insufficient to accomplish the objectives of the long-range plan, the base of support must be increased or the plan must be cut back. Authority for assigning contingency funds is generally vested in the chief academic officer and the chief business officer. In smaller institutions, such authority might rest with the president.

When revenues have been estimated, institutional budget hearings have been held, and expenditure guidelines have been determined, the planning officer should compile the resulting documents and forward them to the governing board, president, and other members of the planning team. After review and approval by the board, deans or other administrative officers should be provided with a predetermined total that their budget request should not exceed. This approach requires the lowest possible operating level to make choices within the scope of activities, and produces a balanced budget on the first calculation.

After revenue estimates have been approved, the budget working papers should be prepared. Statements of assumptions should be written about available revenues, new program commitments, inflation, and general budget expectations for use in department planning and budget requests. Data collection forms to assist the department should also be prepared. These forms should show the staffing and the line-item budgets for the most recently completed two years and for the current budget year. Of course, the planning calendar, showing the dates of key deadlines, should also be included.

Exhibit 2.5d
Operating Budget and Long-Range Plan
Peoples College

General Information

	Actual 1978-79	Projection 1979-80	Proposed budget 1980-81	Plan 1981-82	Plan 1982-83	Plan 1983-84	Plan 1984-85
Students and faculty							
Tuition	$2,900	$3,000	$3,200	$3,500	$3,800	$4,000	$4,200
FTE students	1,800	1,780	1,750	1,677	1,670	1,614	1,675
FTE faculty	118	118	116	111	105	100	98
Student/faculty ratio	15:1	15:1	15:1	15:1	16:1	16:1	17:1
Number of students receiving aid	825	850	875	900	925	950	975
Average aid award per FTE student receiving aid	$600	$600	$600	$650	$650	$650	$650
Faculty compensation (in thousands)	$2,580	$2,640	$3,010	$3,160	$3,270	$3,430	$3,555
Average faculty compensation	$20,130	$22,370	$25,950	$28,470	$31,140	$34,300	$36,270
Percentage increase	—	10	16	10	9	10	6
Staff							
Professional and administrative	20	20	20	19	18	18	18
Clerical	42	42	43	43	43	43	43
Other	22	22	18	17	17	16	15
Student employees	44	51	46	48	47	44	44
Total staff salaries (in thousands)	$1,268	$1,280	$1,290	$1,305	$1,340	$1,390	$1,440
Average staff salaries							
Professional and administrative	$17,500	$18,000	$19,000	$19,700	$21,000	$22,500	$23,800
Clerical	$12,000	$12,500	$13,200	$13,700	$14,200	$14,800	$15,500
Other	$14,000	$15,000	$16,000	$16,700	$17,400	$18,500	$19,500
Students	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200	$1,200
Endowment and quasi-endowment							
Market value (in thousands)	$33,350	$34,517	$36,930	$39,514	$42,278	$45,237	$48,404
Yield on market value	5%	5%	5%	5%	5%	5%	5%
Private gifts (in thousands)	$860	$875	$1,050	$1,100	$1,109	$1,151	$1,169
Federal grants (in thousands)	$520	$575	$635	$674	$645	$660	$670
Plant and equipment							
Book value (in thousands)	$41,600	$42,000	$42,500	$43,100	$43,600	$44,400	$45,000
Square feet	380,000	380,000	380,000	380,000	380,000	380,000	380,000

Exhibit 2.6
Projected Enrollment and Income from Tuition and Fees
Peoples College

Enrollment

Year	Freshman	Sophomore	Junior	Senior	Continuing Education	Total
1978-79*	625	438	401	246	40	1,800
1979-80*	631	475	400	230	43	1,780
1980-81	617	504	370	218	41	1,750
1981-82	600	475	355	210	37	1,677
1982-83	595	460	346	180	39	1,620
1983-84	591	458	344	181	40	1,614
1984-85	610	468	352	205	40	1,675

*Actual

Income

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Enrollment (FTE)	1,780	1,750	1,677	1,620	1,614	1,675
Tuition rate	$3,000	$3,200	$3,500	$3,800	$4,000	$4,200
Total tuition (in thousands)	$5,340	$5,600	$5,870	$6,156	$6,456	$7,035
Total student fees (in thousands)	$30	$30	$35	$36	$36	$37
Total tuition and fees (in thousands)	$5,370	$5,630	$5,905	$6,192	$6,492	$7,072
Percentage increase	—	4.8%	4.8%	4.8%	4.8%	4.8%

Exhibit 2.7
Projected Income from Endowment and Quasi-Endowment Funds
Peoples College

	1980-81	1981-82	1982-83	1983-84	1984-85
Pooled investments					
Total units	2,954,000	3,111,000	3,277,000	3,453,000	3,639,000
Unit value	$12.5	$12.7	$12.9	$13.1	$13.3
Earnings per unit	.65	.66	.67	.68	.69
Yield on market value	5%	5%	5%	5%	5%
Endowment (in thousands)					
Principal (market value)	$6,031	6,453	6,904	7,387	7,904
Income	361	386	413	471	504
Quasi-endowment (in thousands)					
Principal (market value)	7,054	7,548	8,075	8,640	9,245
Income	424	454	485	518	553
Other investments (in thousands)					
Principal (market value)	23,845	25,513	27,299	29,210	31,255
Income	1,144	1,224	1,309	1,401	2,557
Total market value (in thousands)	36,930	39,514	42,278	45,237	48,404
Total income for budget (in thousands)	$1,929	$2,064	$2,207	$2,390	$3,614

Exhibit 2.8
Projected Gifts and Grants (In thousands)
Peoples College

	1980-81	1981-82	1982-83	1983-84	1984-85
Private sources					
Unrestricted					
Alumni	$225	$232	$239	$243	$247
Friends	53	54	57	59	61
Parents	28	29	26	29	32
Churches	12	15	15	15	15
Organizations	16	19	24	26	27
Corporations	22	27	32	28	29
Foundations	220	215	200	215	225
Private college fund	85	92	95	95	95
Subtotal	661	693	688	722	731
Restricted					
Friends	167	175	177	180	182
Foundations	92	99	109	119	124
Deferred annuities	80	83	85	80	82
Other	50	50	50	50	50
Subtotal	389	407	421	429	438
Federal government					
Restricted					
Research grants	260	260	210	210	210
Training grants	25	29	30	30	30
Student aid	350	385	405	420	430
Subtotal	635	674	645	660	670
Total	$1,685	$1,774	$1,754	$1,811	$1,839
Percentage change	—	7.5%	(1%)	3%	2%

Exhibit 2.9
Projected Auxiliary Enterprise Income (in thousands)
Peoples College

	1980-81	1981-82	1982-83	1983-84	1984-85
Residence halls					
Income	$1,055	$1,134	$1,206	$1,292	$1,332
Expense	−765	−819	−876	−937	−945
Mandatory transfers					
Debt service	−183	−196	−209	−224	−240
Renewals and replacements	−98	−105	−113	−121	−129
Net	9	14	8	10	18
Food services					
Income	706	755	800	863	920
Expense	−688	−736	−788	−843	−902
Net	18	19	12	20	18
Other services					
Income	40	38	41	49	53
Expense	− 19	− 21	− 28	− 31	− 35
Net	21	17	13	18	18
Total income	1,801	1,927	2,047	2,204	2,305
Total expense	−1,472	−1,576	−1,692	−1,811	−1,882
Total mandatory transfers	−281	−301	−322	−345	−369
Net	$48	$50	$33	$48	$54
Projected room and board rates					
Room	$695	$744	$796	$852	$912
Board	695	784	796	825	875
Total	$1,390	$1,528	$1,592	$1,677	$1,787
Percentage increase	—	10%	4%	5%	6.5%

Exhibit 2.10
Projected Capital Budget (in thousands)
Peoples College

	Estimated completion date	Estimated project cost	To date	Current year	Proposed for budget year
Projects under construction					
Renovations					
April Hall	Apr. 1980	$3,250	$2,175	$750	$325
Smith Dorm	Aug. 1981	750	125	325	175
Steam plant	Dec. 1983	1,975	350	175	250
Total for renovations		$5,975	$2,650	$1,250	$750
Fund sources					
State grants		$4,225	$1,985	$100	$1,165
Federal grants		225	100	100	25
Note payable*		1,000	1,000	-0-	—
Gifts		250	175	50	25
Plant fund reserves		275	200	50	—
Total from fund sources		$5,975	$3,460	$300	$1,215
Cumulative net cash flow			+$810	−$140	+$325
Proposed projects					
Renovations					
Thomas Hall	Aug. 1983	$4,250			$1,450
Richard Gym	Apr. 1984	2,850			750
Harrison Quad	Sept. 1985	6,550			250
Total for renovations		$13,650	$-0-	$-0-	$2,450
Fund sources					
State grants		$1,000		$-0-	$250
Federal grants		500		-0-	100
Bond payable		7,500		2,500	2,500
Gifts		2,000		750	750
Plant fund reserves		2,650		800	800
Total from fund sources		$13,650		$4,050	$4,400
Cumulative net cash flow				+$4,050	+$6,000
Projects anticipated but not		$3,500			
programmed (in order of priority)		1,250			
Chilled-water system		5,250			
Fire station		2,800			
Renovation—Alpine Hall					
Renovation—Zephyr Wing		$12,800			

*Payable from residence hall revenues

Detail for funding sources of each project, a description of the status of projects under construction, and justification for proposed projects would support this report.

Tasks 6 and 7

The planning team must determine what other types of information are most useful in the planning process. For example, information about enrollment projections, the number of tenured faculty members, shifting demands for academic disciplines, deferred maintenance estimates, inflation, and changes in government regulations might supplement the mission statement and revenue plan.

The planning officer should assemble planning materials, including any changes in the mission statement, highlights of college policies, the revenue plan, and any supplemental planning information. The president should send these materials to the head of each academic and support department with a request for department plans and budgets.

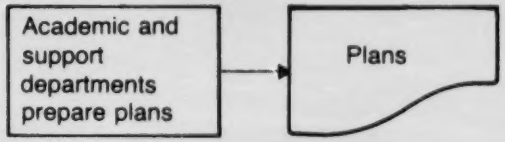
Task 8

Refer to "Participants in the NACUBO Planning Model," chapter 1, for information about the analytical studies team.

Academic Department Plans: Tasks 9-15

Using information they receive in the basic planning assumptions, first academic and then support departments prepare five-year department plans and budgets.

As the procedures followed by academic and support departments are similar, the former are considered in detail; exceptions are then noted for support departments, with a check list of their tasks.



Check List 2
Academic Department Plans

Participants:
- Academic dean
- Planning officer
- Department head
- Planning team
- Department faculty

Exhibits: 2.11-2.21

Calendar: 2 months (September 15 to November 15)

Task 9: Review request for department plans (department head and faculty).
Task 10: Prepare updated department plans (department head and faculty).
Task 11: Review department plans (academic dean).
Task 12: Prepare analysis and overview of total academic program (academic dean).
Task 13: Prepare summaries of all department plans (planning officer).
Task 14: Review plans and summaries (planning team).
Task 15: Prepare request for support department plans (planning officer).

Tasks 9 and 10

After receiving the president's request for an academic plan, along with planning guidelines and appropriate forms, the department head and other department members prepare a five-year department plan. In preparing a new plan, they should review past plans to insure continuity.

The sample planning forms in this chapter assume that the departments are the only source of departmental information. If data are not available elsewhere, academic departments must supply them.

Staffing tables are implicit in the preparation of both academic and support department plans. Whether preparation of tables actually occurs at the departmental level will depend on the individual college; wherever it occurs, it is vital that accurate staffing information be prepared. Supporting data incorporating salary scales, likely increases, and existing and new employment benefits, as found in the environmental assumptions, are also necessary. The number and rank of persons employed in each of the five planning years are vital. For example, how many faculty members will be teaching, how many plan sabbatical or other leaves, and how many will be replaced? The number of replacement personnel and the number of new faculty and staff positions should be requested and approved as part of the planning process. After staffing tables have been prepared, they should be transmitted to the planning officer for inclusion with other planning documents.

Exhibit 2.11
Academic Department Plan (1980-1985)
Physics Department, Peoples College

Goals and Curriculum

The goals of the physics department are consistent with those of Peoples College. More specifically, the department is a nonmajor department that has been developed to provide instruction in physical sciences to students majoring in anthropology, biology, chemistry, paramedicine, and psychology.

Current course offerings are listed and described in the college catalog. No course deletions are anticipated.

The department notes the approval by the College Curriculum Committee of a new course in astrophysics to begin in 1980. National Science Foundation funding in support of this course has been obtained for two years. The college is expected to assume funding responsibility ($3000) beginning in 1982-83. The purpose of this course is to provide familiarity with basic principles and terms of astrophysics. It is designed to support programs being developed in the business department in space-industry management. No new facilities or equipment items are required until 1984-85, when the department hopes to have obtained grant support for a nuclear magnetic resonance spectrometer (to be used jointly with the chemistry department).

The elements of the department plan to be included in exhibit 2.11 include:

- *A statement of the department's goals and objectives.*
- *Evidence of how these goals support college goals.*
- *Some reference to the current curricular program of the department. (If the college catalog does not adequately describe the courses and their objectives, it may be necessary to list each course, with a description of its content and objectives, as part of this form.)*
- *Course additions or deletions, with relevant explanation.*
- *Possible alternative courses.*
- *Significant extracurricular projects and departmental services.*

Exhibit 2.12
Staffing and Expenditure Estimate
Physics Department, Peoples College

	1979-80	1980-81	1981-82	1982-83	1983-84
Faculty					
Hyde, Thomas	•	•	Sabbatical	•	•
Nelson, O.E.	•	•	•	•	•
Thompson, John	•	•	•	•	•
Part-time	•	•	(•)	(•)	(•)
Total teaching	3 1/6	3 1/6	2 1/6*	3 1/6*	3 1/6*
Clerical/technical staff					
Adams, Bernard	1/2	1/2	1/2	1/2	1/2
Total salaries	$40,000	$40,000	$39,000*	$44,000*	$46,000*
Fringe benefits	3,900	4,000	4,150	4,400	4,600
Total salary and benefits	$43,900	$44,000	$43,150	$48,400	$50,600

*Assumes continuation of part-time astrophysicist

Salary information at many colleges is not available at the departmental level. If not, the salary total may be supplied by the business officer or planning officer. Similarly, the academic dean or other person responsible for approving sabbatical plans may have more accurate information than department chairpersons.

This information, salaries, projected salaries, sabbaticals, and replacement salaries particularly lend themselves to computer modeling. A model also allows careful review of staffing or salary alternatives without revealing individual salaries.

	Budgeted*	Spent*	Requested				
Account	1978-79	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
470004 Student wages	$750	$765	$770	$770	$780	$780	$780
470008 Supplies and expense	2,450	2,410	2,600	2,690	2,770	2,860	2,940
470202 Radiation facility	280	50	280	280	280	280	280
470010 Travel	100	115	100	100	100	110	110
470915 Equipment	0	0	0	0	0	20,000	0
Total	$3,580	$3,370	$3,750	$3,840	$3,930	$24,030	$4,110
Less income from restricted funds**			0	0	0	20,000	0
Net unrestricted current funds required			$3,750	$3,840	$3,930	$4,030	$4,110

*To be completed by the business officer
**Attach explanation of restricted fund income

Each department must submit a detailed justification of its budget request. A copy of this justification should be attached to exhibit 2.12.

The explanation of restricted income to be attached to this form should include the nature of the project or item, most likely sources of the funds (where the proposal will be submitted), the name of the principal person submitting the grant request, and similar information.

If an institution has a large amount of restricted income, it may be desirable to design a specific format for the attachment.

Note: Exhibit 2.26, with projections, may be used instead of exhibit 2.12.

Task 11

The academic dean should review an early draft of each department's plan for program content and relation to other departments' plans. Existing curriculum committees must clear new courses and programs. Typically, a course or project is approved by a curriculum committee; then the economic feasibility of the project or course must be considered.

After the academic dean has reviewed and responded to the draft plan, the department head completes the necessary planning forms and returns them to the dean for formal review. The following should be included in the departmental program plan: a statement of the department's objectives; expenditure estimates; estimates of income from restricted funds; course and project data; faculty staffing requirements; sabbatical leave plans; physical facility requirements; other resource requirements; detailed budget documentation for one year, with general budget requirements for the succeeding year; and whatever other information is desired.

Task 12

The academic dean should screen each academic department's planning documents to verify that they are accurate and thorough. Corrections, if required, should be requested of the appropriate department head. It is also useful for the dean to prepare a written analysis and overview of department plans. This overview may include comments on general, interdisciplinary, or other aspects of the academic program that the dean feels deserve explanation.

Exhibit 2.13
Course and Project Data
Physics Department, Peoples College

Course or project number and title		Credit hours	Class hours per week	Faculty member	Number of students enrolled 1979-80	Student credit hours
07A	Introductory physics	5	5	Hyde	16	80
07AL	Introductory physics lab (section 1)	0	3	Hyde	8	—
07AL	Introductory physics lab (section 2)	0	3	Hyde	8	—
09	Mechanics	3	5	Hyde	21	63
09L	Mechanics lab	0	2	Hyde	21	—
04A	Foundations of physics	4	4	Hyde	50	200
04AL	Foundations of physics lab	0	1	Hyde	50	—
	Subtotal	12	23			343
04B	Foundations of physics	4	4	Nelson	44	176
04BL	Foundations of physics lab	0	1	Nelson	44	—
21	Quantum mechanics	5	4	Nelson	3	12
23	Physical electronics	3	3	Nelson	7	21
	Subtotal	12	12			209

(The above is a partial list.)

This form may be prepared by the department, the registrar, or the planning officer. Its specific format should be determined in consultation with the academic dean. Larger institutions may elect to present the data in a summarized format.

Exhibit 2.14

Academic Program—Physical Facilities Inventory

Physics Department, Peoples College, Fall Term, 1979

Instruction and Research Space

A Course number	B Enrollment last fall	C Room number	D Number of student stations*	E Percentage of utilization (B/D)**	F Use of room	G Exclusive departmental use required?	H Is space adequate? (explain)
07A	16	SH-101	35	45.7	Lab	No	OK
09	21	SH-102	24	87.5	Lecture	Yes	OK
09L	21	SH-101	35	60.0	Lab	No	OK
04A	31	SH-101	35	88.6	Lab	No	OK
04B							
21	7	SH-103	15	46.7	Seminar	Yes	Needs new blackboard
23	7	SH-103	15	46.7	Seminar	Yes	OK
41	10	SH-101	35	28.6	Lab	No	OK
42	6	SH-101	35	17.1	Lab	No	OK

(The above is a partial list.)

Office and Additional Space

Faculty offices in use: SH-201, SH-203, SH-219. The offices are barely adequate, but would benefit from some additional work area, perhaps part of SH-207, if the psychology department could move some of its tables out. This is especially vital for the new program in astrophysics.

Other rooms assigned exclusively to physics department: SH-104 (equipment storage), SH-210 (radiation storage), SH-207, SH-208.

*Supplied by physical plant office staff

**Calculated by planning officer

This form assumes square footage and other information is available from a physical plant office. In a stable environment, requests for this kind of information may not be required every year. Large institutions may want to summarize this kind of information for more immediate access. Any request for major renovation should be justified in detail.

Exhibit 2.15

Academic Resource Requirements

Physics Department, Peoples College

To what extent will your department use the resources provided by the following? Be as specific as possible in terms of units, volumes, hours, and other quantitative terms.

Library	Present book allocation is adequate. If possible, we would like a copy of *Physical Review* located in Science Hall Reading Room.
Computer	Ten clock hours/week through 1978-79—new courses in 1979-80 will increase this to at least fifteen clock hours /week to allow student programming of classroom assignments.
Audiovisual	No additional resources required.
Other	This is the third year we have requested a blackboard in SH-103!

As changes in requirements from these supporting services have attendant costs, these costs should be determined and reflected in the budgets of the library, computer center, and other areas as they prepare their own plans.

Exhibit 2.16
Summary of Program Changes
Peoples College

	1979-80	1980-81	1981-82	1982-83	1983-84
French					
Language assistant for conversational program	$2,000	$2,000	$2,000	$2,000	$2,000
No changes in objectives or program content (except conversational program, above)					
Eliminates one part-time faculty member, replaced by language assistant	(4,500)	(4,500)	(4,500)	(4,500)	(4,500)
Physics					
Astrophysicist, part-time (grant will cover first two years)	3,000	3,000	3,000	3,150	3,300
Nuclear magnetic resonance spectrometer shared with chemistry department from grant income				20,000	
New courses in astrophysics area will assist chemistry, paramedicine, other areas					
One additional faculty office required	X	——————————→			
Partition room SH-207 to provide extra work space	X	——————————→			

The summary of academic program changes should note the magnitude and year of:

- *Modification of departmental objectives.*
- *Changes in program content.*
- *New resource requirements.*
- *Variation of interaction with other programs.*
- *Approximate cost of expenditure.*
- *Sources of income.*

This summary should provide an overview of changes in academic department program plans. In a sense, it is a table of contents, the purpose of which is to provide essential information to support department chairpersons, to the planning team, and to the analytical studies team.

The expenses noted are also included in the preliminary budget, but are shown here to identify the magnitude of costs or savings of program changes.

Exhibit 2.17
Preliminary Income and Expenditure Estimates
Academic and Support Departments, Peoples College

Expenditures		Budget 1979-80	Projection 1980-81	1981-82	1982-83	1983-84	1984-85
President's office							
400000	Salaries	$75,195	$79,494	$83,071	$88,056	$93,339	$98,940
400004	Student wages	200	200	205	205	210	210
400007	Travel	3,250	3,300	3,400	3,500	3,600	3,700
400008	Supplies and expenses	3,500	3,580	3,700	3,700	3,900	3,850
400210	Board relations	2,000	2,000	2,900	2,900	2,900	2,900
	Subtotal	84,145	88,574	93,276	98,361	103,949	109,600
Vice-president's office							
404000	Salaries	151,160	161,734	169,012	179,153	189,902	201,296
404002	Temporary help	1,971	2,000	2,000	2,000	2,000	2,000
404004	Student wages	1,280	1,290	1,300	1,300	1,350	1,350

Exhibit 2.18
Departmental Operating Budget
Peoples College

Account number	Account title	Actual expense 1978-79	Budget 1979-80	Requested for 1980-81	Administrative action for 1980-81: Revisions	Administrative action for 1980-81: Approved budget
1383-04701-000	Student help	$1,608.00				
24	Fees and guarantees					
30	Office and instructional supplies	132.00	$600.00	$600.00		$600.00
38	Other supplies	2.00				
42	Subscriptions and books					
48	Printing**	449.00	1,000.00	1,000.00		1,000.00
45	Telephone and telegraph	138.00	100.00	100.00		100.00
47	Postage	29.00	100.00	100.00		100.00
46	Audiovisual**					
29	Other purchased services	231.00				
41	Dues and memberships	135.00				
50	Travel and subsistence*	(225.00)	1,000.00	1,000.00		1,000.00
54	Meals	144.00	50.00	50.00		50.00
73	Maintenance and repair of equipment	35.00	100.00	50.00		50.00
19	Expense allowance		1,000.00	1,000.00		1,000.00
56	Vehicle operation	10.00				
For budget dept. use	Other					
	Total	$2,688.00	$3,950.00	$3,900.00		$3,900.00

*Not for travel to professional meetings, which is budgeted centrally
**Request should separate internal from external purchases

*Date*_____

*Signed*_____
(chairperson)

This form should reflect the requests of departments for the five-year period as ascertained from their program plans and budget request forms. The income portion should reproduce revenue estimates as prepared by the chief business officer in a similar line-item format. In short, this form represents a preliminary educational and general budget for the five-year planning period and includes the current budget as a reference point.

A similar form for the auxiliary enterprises of the college should also be prepared for consideration by the planning and analytical studies teams.

Task 13

After the dean has screened the department plans, they are given to the planning officer, who consolidates the information and prepares a number of summary documents such as those presented in this chapter.

This system generates large amounts of information, perhaps so much that it will be impossible for the analytical studies team to evaluate or use it all. Experience will dictate which forms and summaries are most useful; some may be eliminated, while others may be requested in alternate years.

Task 14

Next, the planning team reviews the department plans and summaries to insure that they are consistent with goals, objectives, and college policies and that they are economically feasible. The planning team probably should not veto any plan at this point, but its members may elect to append notes or comments to the plans and summaries. However, if planning team members detect serious deviation, they should return the plans to the academic department head for necessary modification.

Task 15

The planning officer then adds academic department plans to the other planning materials and forwards them to support departments with a request for their plans and budgets.

Only department subtotals are provided to the analytical studies team. Note the fluctuations that may occur when a sabbatical (Sab) is not replaced (N) or replaced (R) or when retirements occur. Since salaries represent a plurality of any institution's expenditures, the need for accurate, complete staffing tables is obvious. The projected salary increases in this table are estimated at 5 percent per year.

Exhibit 2.19
Course and Faculty Load Data
Peoples College

	A	B	C	D	E	F	G	H
Department	Number of courses	Number of sections	Student credit hours	FTE students	FTE faculty	Student/ faculty ratio (D/E)	Faculty course load (B/E)	Clerical staff assigned to department
Anthropology	10	10	1700	113	3	37.6	3.3	0.5
Biology	6	11	1650	110	4	27.5	2.8	1.0
English	12	12	2400	160	6	26.6	2.0	0.5
Physics	6	13	500	34	3.3	10.0	3.9	1.0
Spanish	6	6	400	26	2*	13.0	3.0	0.5

*Does not include language assistant

The purpose of this form is to compare courses and other projects carried out by departments and the efficiency with which they accomplish their programs.

Ideally, the form should reflect data for the first year of the projected five-year plan. However, with the difficulty inherent in projecting enrollments in small departments, it is probably better to provide an analysis of the current year.

The form, as outlined, uses only teaching to define faculty load. Because research and community service are included in load definition, the form may be expanded to include these activities. As student employees are assigned to departments, it may also be desirable to reflect their presence in this summary.

Exhibit 2.20
Academic Staffing Table
Peoples College

	Current salary and benefits	1979-80	1980-81	1981-82	1982-83	1983-84
Physics						
Hyde, T.	$12,000	•	•	Sab (N)	•	•
Nelson, O.E.	12,500	•	•	•	•	•
Thompson, J.	9,500	•	•	•	•	•
Part-time	3,400	•	•	•	•	•
Adams, B.	6,500	•	•	•	•	•
Subtotal	$42,900	$45,000	$47,300	$45,493	$52,144	$54,700
Spanish						
Bernard, F.	$22,500	•	•	•	•	Retires (R)
Williams, S.	11,700	•	•	•	Sab (R)	•
Language assistant	2,000	•	•	•	•	•
Subtotal	$36,200	$38,000	$42,000	$44,000	$52,937	$31,920

Exhibit 2.21
Academic Program—Physical Facilities Requirements
Peoples College

No specific format is suggested for this form because of the variety of options available. For example, a full facilities inventory might be appropriate if a recent one has not been completed. This, together with a utilization survey, would provide a good measure of the space needs of an institution and may be done without regard to departmental requests for space in the five years of the planning period.

If enrollments and staff size are stable, only minor modifications of space are likely, and these changes may be summarized in exhibit 2.16.

Many facility-use problems are a result of inefficient scheduling, inefficient studio or rehearsal reservations, and other factors. If this is the case, the document that might best serve planning purposes would be a copy of the master schedule and reservation chart as maintained by the registrar or other office.

In short, study space utilization and facility requirements in detail if there is a need to do so. If not, do not accumulate data that will be useless for the rest of the planning process.

Support Department Plans: Tasks 16-21

The preparation of support department plans is identical to that of academic plans, with two exceptions. First, information from the academic plan summaries is included with the basic planning assumptions sent to the support departments for consideration as they prepare their plans, thus allowing them to plan better to serve the academic programs. Second, the specific data requested from the support departments are, of course, different; these differences are indicated on sample forms in this chapter.

After each support department has submitted its plan, a vice-president or other appropriate line officer should review it and turn it over to the planning officer, who prepares summary support program documents such as those in this chapter.

The planning team then reviews the summary support program plans for major deviations and returns them to the planning officer, who will prepare materials for the analytical studies team.

Check List 3
Support Department Plans

Participants:
- Vice-presidents
- Planning officer
- Department heads
- Planning team

Exhibits: 2.22-2.26

Calendar: 2 months (November 15 to January 15)

Task 16: Review request for department plans (department head).
Task 17: Prepare updated department plans (department head).
Task 18: Review department plans (appropriate vice-president).
Task 19: Prepare summaries of all department plans (planning officer).
Task 20: Review plans and summaries (planning team).
Task 21: Prepare materials for analytical studies team (planning officer).

As previously mentioned, the reader should refer to the preceding section for detailed information on these tasks.

Exhibit 2.22
Support Program
Dean of Students, Peoples College

Activity*	Person hours per week
Counseling with individual students	
Informational counseling	20
Problem counseling	5
Long-term or developmental counseling	1
Foreign student advising	1
Group work with students	10
Committee work (admissions committee, student council, and similar activities)	5
Faculty advising	2
Routine administration	20

*Supply a reasonably detailed list of activities performed by the department

Changes**	Reasons	Resources
Reduce individual appointments for dean of students.	Dean of men will assume responsibility for some appointments.	None
Add clinical/counseling psychologist beginning 1980-81.	Provide more long-term counseling (with less course structure and more freedom, greater tensions will exist).	$16,500 salary
Dean will assume responsibility for admissions officer.	As agreed to by president.	None

**Supply a list of project changes in activity, with objectives of change and changes in resources required

The purpose of this form is to allow supporting (nonacademic) departments to document what they are doing and how much time is being spent, what changes are anticipated, what the change is to accomplish, and what resources the change will entail.

Exhibit 2.23
Expenditure Estimate
Dean of Students, Peoples College

	1979-80	1980-81	1981-82	1982-83	1983-84
Personnel					
Dean of students	•	•	•	•	•
Dean of men	•	•	•	Retires	•
Secretary	•	•	•	•	•
Part-time secretary	•	•	•	Full-time	•
Salaries and benefits	$38,000	$39,900	$41,900	$45,000	$47,300
Student wages	600	600	650	650	700
Equipment*	—	—	500	—	—
Supplies and expenses	4,500	4,700	4,950	5,200	5,400
Travel	2,000	2,100	2,200	2,310	2,000
Total	$45,100	$47,300	$50,200	$53,160	$55,400

*See attached equipment request

If restricted funds are supporting any support service program (for example, a remedial student counseling program paying part of the salary of the dean of men), it should be indicated on this form.

Line items of the budget should be accounted for. All budget lines should be included in or reflected either on this form or in exhibit 2.17. This is true of both income and expenditure lines.

Exhibit 2.24
Physical Facilities and Other Resource Requirements
Dean of Students, Peoples College

	Presently assigned	1979-80	1980-81	1981-82	1982-83	1983-84
Private office space	Main 101	N/C	N/C	N/C	N/C	N/C
	Main 102	N/C	N/C	N/C	N/C	N/C
	Main 103	N/C	Partition into two small offices beginning 1980-81; will use student helpers in one office.			
Working space	None					
Storage space	None					
Reception and other space	Main 104	N/C	N/C	N/C	N/C	N/C
Total	4	4	5	5	5	5
	Present usage					
Computer	None	None expected—				
Telephone	3 phones	N/C	Would like all three lines on the dean's phone and intercom line on all phones.			

Exhibit 2.25
Summary of Support Service Plans
Peoples College

	Year	Change in activities	Objectives	New resources required
Registrar	1980-81	Relocate registrar's office	Improve service to public. Avoid setting up special registration areas. Release space to office of dean of students.	Fireproof vault, $6,000 (estimate) Private office, Service desk, Key punch area } $2,000
Student Union	1979-80	Create Coffee House Theatre	Provide a place conducive to general entertainment, folk-singers, one-act plays, small classes, films, and poetry readings.	Student manager to be in charge, $1,200 (20 hours per week) Structural modifications: sound system, furnishings and furniture, $2,500
Vice-president for business	1980-81	Add personnel assistant	Improve salary and wage administration, pre-employment interviewing, performance appraisals and on-the-job training.	$12,000

This form provides an overview of program changes in the support services category and serves as a table of contents for the detailed changes recorded in the individual program plans.

Exhibit 2.26
Departmental Budget Request
Peoples College

For the fiscal year ending _____
Department _____
Budget department number _____

Salaries and benefits—faculty and staff

	Rank	Object code	Budget 1978-79	Budget request 1979-80	Request as percentage of 1978-79 budget
(Name)					
Total salaries					
Add: TIAA					
FICA					
Subtotal					
Total salaries and benefits					

Exhibit 2.28, continued

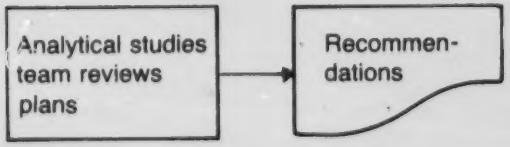
Expenses by Object

	Object code	19__-19__ budget	Depart-mental request	Approved
Salaries and benefits				
Salaries				
Faculty salaries	02			
Staff salaries	03			
Student help	04			
Part-time help	06			
Staff benefits				
Subtotal				
Nonsalary expenses				
Purchased services				
Honoraria	22			
Subtotal				
Supplies				
Office	30			
Instructional	31			
Laboratory	32			
Subtotal				
Information and communication				
Dues and memberships	41			
Subscriptions, books, publishing	42			
Telephone and telegraph	45			
Audiovisual	46			
Postage and meter rent	47			
Printing	48			
Others	49			
Subtotal				
Travel and hospitality				
Employee travel	50			
Visitor travel	51			
Meals	54			
Subtotal				
Equipment				
Equipment	72			
Maintenance and repair of equipment	73			
Equipment rental	74			
Films and slides	77			
Subtotal				
Total				

Program Plans and Preliminary Institutional Budget: Tasks 22-26

Approximately ten months have now elapsed since the beginning of the cycle. At this point, the existing long-range plan has been reviewed and a new set of basic planning assumptions may have been created. Academic and support departments have been requested to prepare and submit five-year department plans. Support departments have received summaries of academic department plans and copies of the basic planning assumptions to use in preparing their plans. All department plans have been reviewed by an appropriate dean or vice-president and have been summarized by the planning officer. The planning team has reviewed the summaries for major deviations from college goals, objectives, and policies, as well as for economic feasibility. Staffing tables reflecting both existing staff and anticipated changes have been prepared, and enrollment projections are available. Revenue estimates, cash flow projections, and capital expenditure estimates have been prepared.

Now, department plans, together with revenue estimates, staffing tables, and enrollment projections, are given to the analytical studies team. Members of this team evaluate the materials for consistency, compatibility, and economic feasibility, and then recommend modifications to the planning team.



Check List 4
Program Plans and Preliminary Institutional Budget

Participants: Analytical studies team

Exhibits: All forms are provided to the analytical studies team for review.

Calendar: 2 months (February 1 to April 1)

Task 22: Review all department plans and summaries (analytical studies team).
Task 23: Review preliminary institutional budget prepared by chief business officer and review projections (analytical studies team).
Task 24: Determine potential conflicts between programs and policies (analytical studies team).
Task 25: Prepare modifications and recommendations (analytical studies team).
Task 26: Distribute draft copy of recommendations to faculty and students (analytical studies team).

Tasks 22-24

The planning officer gives copies of all materials to the analytical studies team for review.

Responsibility for putting into proper format all the myriad pieces of financial data relating to the current operating budget falls to the chief business officer. Cost estimates, of course, are received from the operating departments but must be reviewed carefully and checked for accuracy. All new or expanded programs must be identified and accurate cost data developed for the planning team's use. Any programs being discontinued must be listed and cost savings identified.

Budget formats for colleges should be in accordance with the revenue and expenditure categories defined in the previously mentioned *College and University Business Administration* (1974) and in *Audits of Colleges and Universities* (New York: American Institute of Certified Public Accountants, 1973), as amended. After the detailed line-item departmental expense budgets are reviewed and summarized, they, along with approved estimates of available revenues, should be presented to the president, who should indicate to the chief business officer any changes desired. The preliminary budget is then reviewed by the planning team and other senior administrators; the preliminary budget request, when summarized, may suggest a deficit operation or alternative program item that requires additional input from the planning team. The preliminary budget is then ready for the analytical studies team.

Analytical studies team members must:

- Evaluate the economic feasibility of the plans that have been submitted.
- Determine whether program objectives are consistent with college goals and objectives.
- Determine whether the programs fit together properly in pursuit of common objectives (for example, timing of programs).
- Determine whether current or potential conflicts between program plans and college policies exist.
- Develop and consider alternative program plans and examine their relative cost and effectiveness in accomplishing objectives.
- Formulate conclusions on proposed program modifications and document these conclusions as specific proposals.

Tasks 25 and 26

The analytical studies team is allowed as much as two months to complete its deliberations, depending on frequency of meetings. Because of the amount of material that must be considered, sessions are likely to be long and intense. Some institutions using the NACUBO planning method rearrange the planning calendar so that team members may convene when classes are not in session and thus devote full attention to their review function. If computer facilities are available, models that permit consideration of a variety of alternatives in staffing, enrollments, expenditures, and other factors may be developed.

In the course of their review, analytical studies team members should expect access to all information required to formulate their recommendations, including summary wage and salary data. At the conclusion of their deliberations, they should circulate a preliminary or draft copy of their findings to faculty, staff, students, and all other interested parties. An open meeting to encourage wider participation may be helpful.

Final Plan and Budget: Tasks 27-32

After the analytical studies team has completed its report and forwarded it to the planning team, the planning team reviews the proposals, prepares final planning and budget documents, and forwards these documents through the president to the governing board for review and approval.

Check List 5
Final Plan and Budget

Participants:
- Governing board
- President
- Chief business officer
- Planning officer
- Planning team
- Analytical studies team

Calendar: 3 months (April 1 to July 1)

Task 27: Review analytical studies team proposal (planning team).
Task 28: Resolve differences caused by modifications (planning team).
Task 29: Submit final plan for governing board to review and approve (president).
Task 30: Distribute copies of the final plan (planning officer).
Task 31: Make adjustments to planning budget to allow final budget preparation (chief business officer).
Task 32: Distribute detailed budgets to departments (planning team).

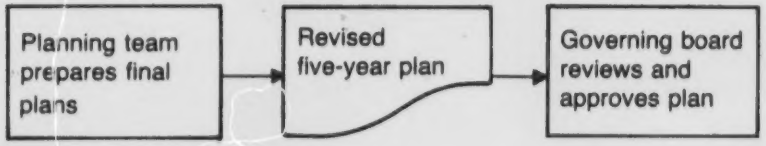
Tasks 27 and 28

The planning team reviews the proposed modifications in program plans and budgets that have been submitted. If a proposal is unacceptable, it should be returned to the analytical studies team, with reasons for rejection. For those analytical studies team recommendations that are acceptable, the planning team should notify academic or support department heads of modifications that will affect them, allowing time for appeal or consideration before the acceptance becomes final. If the academic or support department heads find the proposed changes unacceptable, they should confer with planning team members to resolve their differences. This consultation period should last no longer than two months.

Tasks 29-32

Finally, the planning officer assembles the official long-range plan. This document may include elements extracted from the program planning summaries, the basic planning assumptions, enrollment projections, and a summary budget projection. A brief explanatory narrative should accompany the document and identify key modifications to the prior year's plan. The president submits the long-range plan to the governing board for review and approval. If it is unacceptable, the planning team must make any necessary revisions in the plan as required by the board.

Following governing board approval, the long-range plan should be published and disseminated widely to faculty, staff, and students. The finished plan becomes the starting point for the following year's annual planning cycle.



Evaluation

Evaluation completes the planning process. The five-year plan is designed to achieve specific objectives, which are devised to suit the needs of the program's constituents, within a definite period of time. By linking program results with intended goals and objectives, evaluation completes the planning cycle.

Program evaluations vary in timing and technique to match various plans and programs. The three types of program plans developed in a college's planning cycle are revenue plans developed by the planning team, plans developed by academic departments, and plans developed by support departments. Because of differences in these types of programs and plans, different evaluation techniques and procedures are required to assess their results.

While the discussion that follows stresses three features needed in any evaluation process, program managers may modify details to suit the needs of a particular program.

As described in chapter 1, two kinds of evaluation, program evaluation and management evaluation, exist in colleges. Management evaluation, often referred to as operational auditing, insures that the planning process is sound from a management perspective, but it is not a part of the actual planning effort and thus is not treated in this manual.

Program evaluation, on the other hand, is a planning activity. It assesses program results with regard to program goals and measures the effects of those results on constituents. In this way, program evaluation is essential for preparing future planning assumptions.

Evaluation results must be generated at the proper time so that they can be incorporated into the plan. An annual evaluation reviews accomplishments of the previous year; evaluation results then become planning assumptions for the following year, resulting in a lapse of current-year information. While this period may be appropriate for some programs, especially those that do not change very much from year to year, it will not be appropriate for others. The length of the annual planning cycle (9 months, 12 months, 15 months) and the length of the long-range plan will dictate how frequently a routine evaluation for a particular program should occur.

Check List 6
Evaluation

Participants: All

Exhibits: 2.27-2.29

Calendar: Continuous

Task 33: Identify relevant objectives for a specific period.
Task 34: Identify a corresponding set of evaluation criteria before the program is implemented.
Task 35: Analyze evaluation results.

Task 33

All program goals and objectives must be stated in quantifiable terms for a specific period. Objectives are quantifiable if planners identify the strategy they intend to follow to achieve the objectives. This approach to quantifying objectives emphasizes the identification of resource requirements, as indicated by the following example:

Program: Revenue planning
Objective: Increase gifts from private donors to $1 million by 1984.
Strategy: Initiate a "Campaign for Peoples College" to be administered by the development officer (see attachment to development office plans for a complete description).
Resource Requirements: Total cost of $96,000 for two additional FTEs to help staff campaign and for travel, promotional, and other expenses (see detailed budget).

Exhibit 2.27
Academic Department Evaluation
Peoples College

	1	2	3	4	5
Curriculum					
The curriculum is continuously evaluated.					
The curriculum provides students a choice of vocations.					
The extent to which the department is meeting its stated objectives is continuously evaluated.					
Curricular changes are initiated and developed in accordance with student and industry needs.					
Students, industry, professional consultants, and faculty in related disciplines have integral parts in curriculum changes.					
Instruction					
A common core of subjects exists for majors in the department.					
Textbooks are carefully selected in consideration of students' needs, abilities, and goals.					
Up-to-date reference and supplementary materials are available in the department for student and faculty use.					
Visual aids related to material under discussion are used effectively.					
Provision is made to make instruction relevant to individual students.					
Evaluation procedures are objective and fair.					
Teaching material is updated to keep course content current.					
Guidance					
Faculty members assist students in the choice of vocational options and selection of individual courses.					
Faculty members increase their knowledge of employment trends, job opportunities, and employment qualifications through attendance at professional meetings and through interaction with graduates and businesspersons.					
Faculty members encourage students to discuss academic and social problems as they pertain to career goals.					
Faculty advisors maintain adequate records to assure effective academic counseling.					

Exhibit 2.27, continued

	1	2	3	4	5
Extracurricular activities					
Students are encouraged to participate in service projects.					
Opportunities for students to work in industry or for the college are actively sought.					
Students are given opportunities to attend conferences, luncheons, and planned social gatherings.					
Physical facilities and equipment					
Classrooms are properly equipped for instruction.					
A policy for equipment repair exists.					
A variety of audiovisual equipment is available for classroom and laboratory use.					
Faculty members have adequate, well-equipped office space.					
Office machines in the laboratory are representative of those used in industry.					
Precautions are taken to prevent abuse or theft of existing equipment.					
Storage space and bulletin boards are adequate for present equipment and programs.					
Faculty and staff					
Faculty members exemplify the personal qualities students are encouraged to develop.					
Faculty members attend and support college-sponsored programs and activities.					
Faculty members belong to state and national professional associations.					
Faculty members keep abreast of current teaching materials and business practices.					
Faculty members cooperate with other faculty members inside and outside the division in assuring quality academic offerings.					
Each faculty member is thoroughly qualified in subject content of instructional area.					
Each faculty member has had work experience related to his or her teaching area.					
Library					
Periodicals and references books in the library and in the department laboratory are adequate for student and faculty professional enrichment.					
A systematic budget allowance for maintenance and upgrading of library books and materials exists.					
Students receive professional advice on the existence and use of library materials, books, and resources.					

Scale
1 = Unsatisfactory
2 = Below average
3 = Average
4 = Above average
5 = Superior

Task 34

Department heads, vice-presidents, and members of the planning team should designate an appropriate set of evaluation criteria for all objectives under their control. The criteria should provide information to answer the following questions:

- Were program goals achieved? Were they met in a timely fashion?
- Who benefited from the program?
- Who was disadvantaged by the program?
- What did the program cost? Was it worth it?
- Should the program be continued?
- What repercussions are likely if the program is discontinued?

The department head or dean has the ultimate responsibility for evaluating the department's programs. His or her support for the process is essential, even though someone else may carry out the evaluation.

The department head should verify that the evaluation is relevant to the needs of decision makers. This may be accomplished through (1) providing and monitoring an evaluation cycle within the department (by month, quarter, semester or other period, or year) so that evaluation findings are available and current when plans are transmitted to the analytical studies group; and (2) reviewing the objectives, associated criteria, and constituent groups considered in the evaluation to insure that they are comprehensive.

By stressing the importance of evaluation in the planning cycle, department heads should support faculty and staff efforts to participate in the evaluation process. Such encouragement might include asking other departments to provide results of their own evaluations for use in improving departmental evaluation activities.

Task 35

Analysis of program evaluation findings should be prompt. A department should be able to determine which objectives were achieved and what effect the results had on constituents. Deviations from anticipated results should be examined and an explanation of the causes of any variance should be noted. Any unexpected outcomes should also be documented.

Because evaluation results may necessitate an adjustment in proposed plans, analysis must be completed before plans are forwarded to the analytical studies team for review.

By themselves, systematic program evaluations will not necessarily result in better or less expensive programs, but proper evaluations guide decisions on whether specific programs should be retained, modified, or dropped.

Exhibit 2.28
Support Department Evaluation
Peoples College

For the month of _____ 19__
Department _____
Department head _____
Report due _____

Goals | Date completed

Reasons that goals were not accomplished (if applicable)

Additional accomplishments

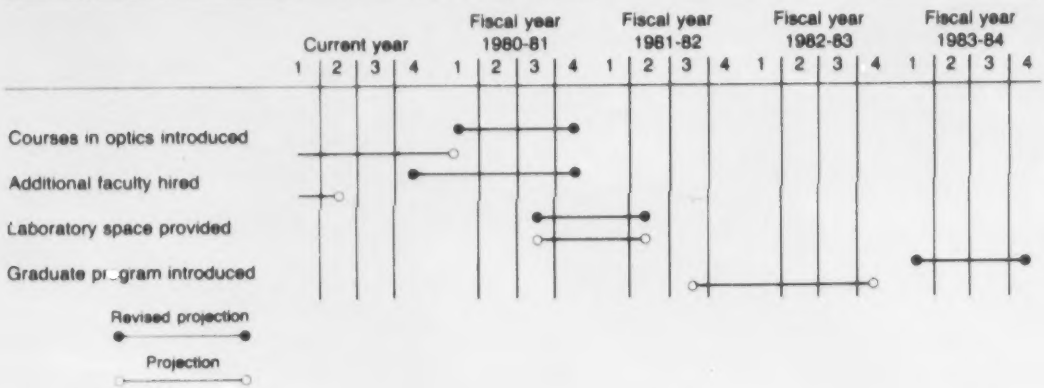
Report prepared by _____

Date _____

Exhibit 2.29

Annual Evaluation of Five-Year Plan

Physics Department, Peoples College



Report prepared by _____

Date _____

3 Other Planning and Operating Considerations

In this chapter:
Budget Control
Cash Management
Hard versus Soft Money
Management of Student Financial Aid
Debt Policy
Capital Budgets
Maintenance and Replacement of Capital Assets

Plans cannot be carried out without appropriate management supervision in four areas: budget control, cash management, use of hard versus soft money, and management of student financial aid. Equally important are development of an institutional debt policy and capital budget and maintenance and replacement of capital assets. This chapter identifies issues associated with each of these topics.

Budget Control

As plans are translated into operating budgets, and budgets into day-to-day functions, budget controls must be established in advance. The principal tool in controlling the budget is the monthly operating statement and business report. The chief business officer should be responsible for preparing a narrative statement that highlights the most pertinent information and for providing the financial facts to the president and governing board. Also essential is a summary report, by broad category functions, showing revenues and expenditures to date as well as comparisons of the current year with the previous year and with the budget.

Each operating department must be provided with a monthly operating statement that shows in detail, by object classification, all current monthly expenditures, plus a summary of all expenditures for the year-to-date, and a comparison with the approved budget. Department heads should understand their responsibility for the operation of their budgets and should bring to the attention of the budget officer (or other designated person) any errors in the account. This officer should review the monthly operating statement to check spending rates and to identify any problems. There should be prompt contact with budget units whose spending rates are excessive or whose reports or records are in error. Early detection of abnormalities and problems in budget operation will make corrective action possible.

In order for budget controls to work, the control system must be fairly and firmly enforced. A high degree of cooperation among all departments is essential in order to maintain control; responsibility must be assumed by all departments. Each person in the institution should contribute to conservation and effective use of institutional resources.

The accounting and reporting systems used must provide the governing board and institutional managers with adequate information to insure the successful operation of the budget, which in turn will insure the success of the general institutional plan. The reader is referred to NACUBO's *A Management Reporting Manual for Colleges* for examples of such information.

Cash Management

Cash management is the administrative function that makes the cash resources of any organization more productive. Effective cash management can increase investment returns beyond the cost of investing the cash.

In making optimum use of its available cash, a college should first consolidate funds into a single bank account and carefully document cash flow patterns and techniques for preparing relatively accurate cash flow projections. As administrators increase their understanding of the college's typical cash position, they will discover shifts in patterns of billing students and in payment patterns for nonpayroll obligations; these patterns can be used to increase the cash float available for investment.

The consolidation of funds into a single account has implications primarily for institutional banking relationships. Some argue that cash, especially for a larger institution, should be used to gain political advantage, but generally the economic gains from consolidating cash far outweigh the political gains from dispersing it. Even so, care should be exercised in explaining the plan of cash management to members of the governing board and to banking officials who will be affected by a change.

The pattern of cash flow of an entire completed fiscal year is necessary for a relatively accurate forecast of the year ahead. Budgeted revenues can be analyzed to assist in projecting cash, but a daily log of deposits, bank balances, disbursements, and ledger balances is required to be relatively precise. A daily cash report, showing deposits by source (such as students, gifts, government appropriations, or endowment income) and disbursements by type (such as payroll or accounts payable), should be designed and maintained. It is especially important to analyze the daily bank balance and daily ledger balance to calculate the float available for investment.

In projecting the cash pattern for the coming fiscal year, a summary of deposits by source and disbursements by type should be made each week. From this, the moving average of fund availability, which would suggest the periods and amounts for short-term investing, as well as any periods when bank loans would be required, should evolve. Generally accurate figures for investment income and interest expense for the current fund operating budget can then be developed.

The banking relationships of any college are important to its operation. An operating account through which all current fund operations flow is essential. The trust operation of a bank also may be a vital adjunct—for investing endowment funds or for maintaining a deferred giving program. A bank analysis of the institutional account, probably on a quarterly basis, should be obtained and compared with the forecast and cash records of the institution.

Providing the principal banking facility with a copy of the institutional budget and cash flow projection is a good management practice. As this is done, a line of credit sufficient to provide for projected loan needs can be arranged.

For a more thorough discussion of cash management concepts, the reader should refer to Leonard H. Haag's *Cash Management and Short-Term Investments for Colleges and Universities*, published by NACUBO.

Hard versus Soft Money

A distinction should be made between recurring or "hard" revenues, such as tuition and appropriations, and nonrecurring or "soft" revenues, such as those received from grants and contracts. If an institution relies heavily on soft money to fund long-term commitments, such as tenured faculty, its funding strategy is relatively risky.

The chief business officer and his or her staff should develop a written statement of objectives and limitations with respect to these two sources of funds for presentation to the governing board. The board should review and approve such a statement because of its financial implications.

Management of Student Financial Aid

The implications of regarding student financial aid moneys as sources of institutional revenue are often poorly understood or not recognized at all. Misunderstandings about student aid programs, their administration, and their effects on an institution's mission can be particularly detrimental to an institution in a period of reduced enrollment.

Administrators must know where aid revenues originate and for what purpose they are to be used if an institution hopes to monitor their use and to evaluate their effects. A source-use matrix is a management tool that can be used to monitor aid moneys.

It is crucial that an institution relate its financial aid portfolio to its mission statement to insure that student aid programs complement institutional goals.

Ideally, policy making with respect to student aid is broadly based, involving not only the president, but many other persons and offices. Although most student aid policies are carried out at the operating level by either the student affairs office or the business office, the making of policy is not so limited.

Because managing student aid programs can be very expensive, it is important to know their costs and benefits. If these added costs are not considered in institutional planning and budgeting, student aid will be a liability rather than an asset. NACUBO's *Management of Student Aid* describes the aid process and administrative principles for aid programs.

Debt Policy

If the planning process is to be successful, a policy on debt must be developed. An institution's debt policy should establish (1) the circumstances under which the institution will assume additional increments of debt and (2) criteria for determining the appropriate level of debt. Ideally, it should suggest a limit on debt financing above which there might be a major restriction on the ability to make decisions affecting the future. A debt policy should not determine the optimum financing *method* for a given project; the number of potential debt-financed projects is so large that the financing technique should be determined in each project analysis. Nor should the policy assign priorities to requests for debt financing and the capacity to assume debt; the capital budget and operating budget processes must set priorities.

The following outline is a guide to developing a borrowing policy:

A. Criteria for debt financing
   1. General criteria
   2. Criteria for general operations, service centers, and utilities
   3. Criteria for auxiliary activities
   4. Criteria for student loan financing
   5. Criteria for interim-financed projects pending receipt of gift pledges
B. Debt capacity of the institution
   1. Definition of "debt capacity"
   2. Realistic operating levels of debt
   3. Difficulties of the traditional net cash flow analysis
   4. Quantitative view of debt capacity

Capital Budgets

Capital expenditures made by colleges should be budgeted separately from operating expenditures. Principally, capital expenditures are for new construction, major repairs or renovations, or large and expensive equipment. Library book purchases typically are made through the current fund but should also be capitalized. From an accounting standpoint, the costs for construction or major equipment should not be recorded as an expenditure of the current funds.

When program plans and operating budget requests are obtained from departments, statements about required capital expenditures to support program plans should also be requested. It is essential that the total costs of new or expanded programs reflect any capital expenditures; it is equally important to anticipate major building repairs or improvements and equipment replacement for continuing programs. Data collection forms should be developed to elicit capital expenditure requirements, which include deadlines, estimated costs, specifications for purchase orders, and suggested funding sources if funds are not in hand.

The president and the chief business officer should prepare the preliminary capital expenditure budget. New construction or major renovations of buildings typically proceed through a relatively elaborate planning process before actual contracting. Planning should include academic departments that will occupy the space, the physical plant director and staff, and the responsible committee of the governing board. It is also logical and desirable to coordinate capital budget requests and preliminary budget approvals with the development office to provide fund-raising ideas.

The program plans generated by departments provide basic information required for budget development. New, expanded, or changed programs reflecting shifts in educational priorities or more complex technology often generate capital demands. Generally, educational priorities should determine the items to be included in a capital budget; however, availability of funds often changes priorities.

The preliminary capital expenditure budget should follow the same planning and review path as that of the current operating budget. The planning team should review and approve this budget and send it to the analytical studies team as a part of the proposed plan and budget for the institution. Care should be taken to include in the current operating budget any operating costs that will result from funded capital expenditures—for example, maintenance of complex scientific equipment and maintenance and operation of new building space.

Exhibit 3.1
Aid Source-Use Matrix

	Aid type					
	Grant		Loan		Employment	
Aid source	Disbursed by institution	Disbursed by other	Disbursed by institution	Disbursed by other	Institutional	Other
Institutional funds						
Unrestricted	•		NDSL (matching)		CWS (matching)	
Restricted gifts	•					
Endowment			•			
Loan			•			
Federal government funds						
Restricted	SEOG		NDSL		CWS	
Agency	BEOG					
Direct to student		VA, SS*				
State government funds						
Restricted	•					
Agency	•					
Direct to student		•				
Private funds						
Through institution	•		•			
Direct to student		•		GSL		•

*Veterans Administration, Social Security.

Note: • designates an aid program currently being used at the institution. The primary federal programs have been specifically noted.

When the final capital budget has been developed, it should be presented to the governing board for approval and final adoption. The presentation of the capital budget should coincide with the presentation of the program plans and operating budgets. Board members should be concerned with the total institutional program and the financial stability of its operation. If funding is not available or if budgets and programs do not seem to support institutional goals, board members should provide guidelines for further revisions before adoption.

Maintenance and Replacement of Capital Assets

Many colleges have neglected maintenance in order to balance budgets or to decrease deficits. While it may be unavoidable, such a practice may lead to extensive future funding requirements for maintenance that will have to be paid ultimately by future generations of students, taxpayers, and donors. Therefore, in addition to reviewing major maintenance and replacement projects, steps should be taken to initiate a preventive maintenance policy and to estimate how much maintenance is being deferred and what the consequences of deferral are.

Depreciation is sometimes mistakenly discussed in the context of replacing capital assets. This misunderstanding results from assuming that colleges that record an amount for depreciation in their financial records accumulate funds that are then available for replacement and major renovation of facilities. To actually accumulate such a reserve, however, the institutions would have to use such means as higher tuition and unrestricted gifts otherwise available for current program needs.

Accumulating reserves for replacing capital assets is difficult for both public and independent institutions. Most public institutions will probably continue to rely on the capital appropriation process and to justify their requests on a pay-as-you-go basis. The problem is markedly different for independent institutions, as they have no readily identifiable source of funds for renewals and replacements; donors and the federal government have shown little interest in financing these projects. Some states have agencies that will obtain funds for independent institutions for the construction or renovation of facilities at low rates of interest, but the annual debt service may exceed available funds from operations. As a result, governing boards of independent institutions may want to consider the need for a recurring charge to be included in the operating budget that will accumulate a reserve to be used for renewals and replacements.

If an institution does not have a capital appropriation procedure with a governmental agency, the board should review and approve a policy defining a systematic method for financing the renewal and replacement of capital assets. The policy statement should include provisions for periodically evaluating the condition of facilities and for reexamining the estimated reserve requirement.

For a more thorough discussion of deferred maintenance and its implications, the reader may refer to Harvey H. Kaiser's *Mortgaging the Future: The Cost of Deferring Maintenance*, published by the Association of Physical Plant Administrators of Universities and Colleges.

4 Adapting the NACUBO Model

In this chapter:
Pace, Leadership, Method, and Style
The Case Studies
The NACUBO Planning Process

Four case studies have been developed to show how features of the NACUBO model have been adapted to four different institutions, each with its own characteristics and management style. The sole criterion for selection was success in planning; the institutions chosen vary in enrollment, complexity, and budget size. They are Arkansas College, California Lutheran College, St. Mary's University, and Xavier University of Louisiana. This chapter illustrates how each institution adapted the NACUBO model to its own needs.

Pace, Leadership, Method, and Style

Exhibit 4.1 summarizes the NACUBO planning model and compares adjustments made by the four institutions in four areas: pace, leadership, method, and style.

Pace refers to an institution's annual planning calendar and to the length of its long-range plan. Most effective planning calendars are built around governing board meetings, summer or term vacations, and fiscal and academic years. If the planning process is not geared to the flow of operations and to departmental schedules, the data and program plan materials needed for decision making will not be timely. Those who develop the planning calendar must carefully analyze their institution's pace; most colleges will adjust NACUBO's 15-month *initial* planning cycle to a shorter period of time (such as 12 months) in subsequent years, as the institutions studied have.

The length of the long-range plan may also be determined by the college; beyond a certain point, the number of years that plans and budgets are projected limits the accuracy of those projections.

Through their *leadership* and support, an institution's governing board members and president must convince planning participants that the process will improve their institution.

Planning must be an integrated process, with ample coordination and exchange of information among participants. Objectives must be translated into department budgets, with no gaps between planning and budgeting. The actual interaction among groups and the evaluation techniques used constitute the *method* by which an institution translates planning goals into program results.

Style refers to established protocol or institutional custom. The planning process must fit into an institution's organization and into the way in which things are customarily done. Some institutions are more formal than others, and some prefer to appoint planning participants, while others elect representatives to these positions. Style is influenced by such considerations as whether an institution is public or independent, religious or secular, and small or large.

The NACUBO planning model is illustrated in exhibit 4.1 against a shaded background; areas similarly shaded for individual institutions indicate that they followed those aspects of the NACUBO model, either entirely or with variations explained within the shaded area.

The Case Studies

The institutions studied followed the NACUBO model most consistently in four areas: role of president, composition of planning team, composition of analytical studies team, and planning officer.

At least two of the institutions studied followed the NACUBO model in two areas: role of governing board and group interaction.

The governing board participated in the planning process to the extent recommended by the NACUBO model in two of the institutions studied; the others were working to involve the governing board to a greater extent.

With respect to group interaction, the NACUBO model stipulates that academic departments should complete their plans and budgets before support departments do so. The institutions studied either followed this plan formally or were attempting to do so. Variations to the approach resulted from timing problems, as, for example, when academic departments took too long to complete their plans or support departments were unprepared to handle them.

The institutions studied deviated from the NACUBO model in three areas: length of the planning cycle, length of the long-range plan, and evaluation process.

NACUBO's 15-month initial-year planning calendar was used by the institutions studied during their first attempts to implement the process. Later, three of the colleges found that they could shorten parts of it to adapt the planning calendar to their own fiscal and academic years.

NACUBO's recommended five-year plan relies on the ability to project accurate plans into the future. Most of the institutions studied found that they could make accurate projections for only two to three years.

The evaluation process used varied from institution to institution, although each approach involved management by objectives (MBO). Delegation of responsibility for conducting the evaluation also varied, with the planning officer, business officer, or planning team responsible.

Exhibit 4.1
Adaptations of the NACUBO Model

	Pace		Leadership		Method		Style		
	1	2	3	4	5	6	7	8	9
	Length of planning cycle	Length of long-range plan	Role of governing board	Role of president	Group interaction	Evaluation process	Composition of planning team	Composition of analytical studies team	Planning officer
NACUBO	15 months	5 years	• Must organize effectively for planning and budgeting activities. • Addresses policy decisions resulting from the planning process.	• Must provide initial and continuing support and leadership. • Participates actively in the ongoing process. • Chairs planning team.	• Academic departments complete plans, which then serve as reference materials for support departments. • Preliminary plans are sent by planning officer to analytical studies team, then to planning team.	• Must link program results with goals and objectives. • Must generate results for incorporation into the plan.	• President should chair, with all senior administrators participating.	• Must be primarily faculty members (student involvement is optional).	At least .5 FTE, responsible directly to president.
Arkansas College (began planning in 1974)	12 months	6 years			• Program directors and academic dean receive planning assumptions from, and relay program plans to, management team.	• Management team and director of planning perform evaluations annually. Results of evaluation become planning assumptions for following year.	• Planning team and analytical studies team are combined into a 15-member management team made up of 11 administrators (president chairs) and 4 faculty members. The "faculty senate" (21 members: 7 faculty members, 7 staff members, and 7 students) must approve all plans and budgets.		1 FTE, director of institutional research and planning, responsible directly to president.
California Lutheran College (began planning in 1975)	9 months	3 years (4- and 5-year projections are extrapolated)	• Develops mission statement. • Approves following year's budget. • Approves planning assumptions.		• Plans are sent to academic and support departments simultaneously.	• President uses MBO (management by objectives) for all functional heads, who in turn use MBO subsets for each of their reporting departments.	• President (chairs) • Business officer • Dean of students • Chief development officer • Dean of the college • Chairman of analytical studies team (advisory)	• 4 faculty members (elected by faculty) • 2 administrators (appointed by president)	.5 FTE, responsible directly to business officer.

Exhibit 4.1, continued

	Pace		Leadership		Method		Style		
	1	2	3	4	5	6	7	8	9
	Length of planning cycle	Length of long-range plan	Role of governing board	Role of president	Group interaction	Evaluation process	Composition of planning team	Composition of analytical studies team	Planning officer
St. Mary's University (began planning in 1973)	7 months	5 years	• Approves following year's budget. • Approves long-range plan.	• Supported initial planning efforts. • Chaired planning team.	• Links between mid-level management, departments, and analytical studies team were initially not well established; they have since been improved.	• Planning office combines evaluation processes with institutional research.	• President (chairs) • 5 vice-presidents (for academic affairs, financial administration, student services, public affairs, planning) • Director of Marianist Community	• Faculty members (one chairs) • Administration staff • Support staff • 1 undergraduate student • 1 law student	1 FTE, vice-president for planning and director of Advanced Institutional Development Program (AIDP), responsible directly to president.
Xavier University of Louisiana (began planning in 1969)	12 months (9-month budget cycle)	2 years	• Develops mission statement. • Approves following year's budget.		• Because support units initially were not as prepared as academic units to handle program plans, management training was provided to support areas.	• Department chairpersons designate significant and quantifiable objectives, defining them in terms of resources. • When objectives are identified, department chairpersons develop evaluation criteria (deadlines and sign-offs are required). • Department chairpersons receive objectives on a quarterly basis.	• President (chairs) • Planning director • Planning analyst • Executive vice-president • Dean of the university • Director of financial affairs • Director of development • 2 faculty members • 2 students	• Planning director • Business officer • 4 faculty members • 3 support unit managers • 1 student	1 FTE, director of Advanced Institutional Development Program (AIDP), responsible directly to president.

Arkansas College

Arkansas College is a small, four-year, liberal arts college that serves the rural area north of Little Rock. It is a private institution with Presbyterian affiliations. The student body is made up of about 490 FTEs, most of whom live on campus. The faculty numbers approximately 34; 21 are full-time, 6 to 8 have joint teaching and administrative responsibilities, and the others are part-time.

The college traditionally had a strong, centralized presidency that retained most decision-making functions. The impetus for a formal planning process came from the board of directors, which in 1973 instructed the college's newly appointed president to conduct an extensive evaluation of the institution's curriculum, management system, and financial condition. The president designated three investigative committees, the fiscal, structural, and curriculum committees, to perform this evaluation.

A presidential task force received the information generated from the committees and developed a set of recommendations, which were sent to the governing board. Task force members recommended that Arkansas College:

- Change its organization to include departments in the planning process.
- Establish a formal planning process, creating a position for a director of institutional research and planning.
- Adopt a process based on management by objectives (MBO) and zero-base budgeting (ZBB).
- Centralize all its support services.
- Develop a management information system and an institutional data base to use in planning.
- Introduce curriculum changes and experiment with alternative teaching techniques.
- Improve evaluation procedures and redesign faculty incentives to match institutional goals.

The entire process, which took a little over a year, was supported by a grant from the Exxon Education Foundation. The grant also provided funds for the college to implement an internal resource allocation system. The current planning process, which grew out of these efforts, was initiated in 1974.

Staffing Considerations

Early in the planning process, the governing board decided to appoint a full-time director of institutional research and planning. The director is responsible for preparing all preliminary information for the management team and program directors and for evaluating the faculty.

Arkansas College has modified the NACUBO model in combining the concepts of a planning team and an analytical studies team into a single management team that performs both analytical and decision-making functions. The management team consists of 15 members whose positions are permanent, with the president as chairperson, 10 administrators, and 4 faculty members. The "faculty senate," made up of 21 members—7 administrators, 7 faculty members, and 7 students—who serve two-year rotating terms, approves all plans and budgets developed by the management team.

Arkansas College's management team approach serves the needs of a small institution that relies on combined faculty and administrative positions, allowing maximum use of management skills. The manageable size of the faculty senate allows review, discussion, and approval of decisions made by the management team.

Organization and Process

Arkansas College administrators have adjusted NACUBO's 15-month process to 12 months. The management team meets during July and August to review internal and external assumptions. Members of the team then prepare a goals statement that they send to the academic dean in late September.

The academic dean meets with the five academic program directors to develop budgets. This budgeting process begins in October and lasts through December. Since the college is small, student service directors are able to coordinate their plans with academic program planners during this time. As part of the college's system of management by objectives, managers have developed a zero-base budgeting process that is coordinated effectively with planning activities.

In January and February, program planners return preliminary plans and budgets to the management team for final action. The faculty senate then reviews and approves the fully developed plan and budget.

The management team forwards the approved plan to the governing board in March. The planning director and management team then evaluate the year's academic and budget performance in terms of previously established goals. The evaluation process usually takes place from April through June; results of the evaluation become internal planning assumptions for the following year.

Current Issues

- Arkansas College administrators have effectively decentralized authority since the planning process began. They will continue efforts toward involving more faculty and staff in the budgeting process.
- Managers have emphasized development of an institutional data base. The current data base is beginning to provide information for planning assumptions.
- Planners are giving more attention to the evaluation segment of the MBO process; evaluation has become an annual event with a specified calendar.

California Lutheran College

California Lutheran is a college of about 1,750 students. It is affiliated with the American Lutheran Church and the Lutheran Church in America. The college is situated in Ventura County, one of the fastest-growing counties in the state, where demographic projections indicate a rising college-age population during the 1980s.

Realizing that fixed costs are high, the college has adopted an aggressive recruiting program to attract additional students and develop greater financial stability. Because controlled growth over the next few years is important, it sought in 1975 to develop a multiyear planning process.

Staffing Considerations

California Lutheran's planning team, headed by the president, consists of all executive administrators. The chairman of the analytical studies team serves as an advisory member and thus links the two teams.

The analytical studies team consists of four faculty and two mid-level managers. The faculty members, originally appointed by the president, are now elected by the faculty; this method of selection adds to the consensus-building needed in planning. The two mid-level support managers are appointed by the president. The chief business officer and academic dean are resource persons available on call, but they are not members of the analytical studies team.

When the planning process was initiated, resources for a planning officer were not allocated and planning duties were assumed in the business office. Limited background material was distributed to the planning participants, who were forced to gather their own data and also to complete planning forms. The resultant problems set back the planning calendar. In 1977, a half-time position in the business office was budgeted for a planning officer, who could prepare more detailed background material and make it available to planning participants.

Organization and Process

California Lutheran's administrators believe that availability of data is essential to the planning process. The analytical studies team has access to any pertinent information except individual salaries. Data processing, which provides substantive and timely information, helps the team to make decisions. Administrators have successfully used many of the forms NACUBO recommends for planning, adapting others or substituting their own where appropriate.

The planning process at California Lutheran is geared to a 4-1-4 academic year, with one month between semesters. Participants felt that the 15-month planning and budgeting cycle recommended by NACUBO should be shortened to match the 9-month academic calendar, thus making the process more efficient. The actual process begins in the fall, with the planning team preparing or reviewing internal and external assumptions that are approved by the governing board and sent to the academic and support departments.

When California Lutheran's administrators first implemented the planning process, they followed the NACUBO recommendation of first completing the academic plans and budgets and then using that information as reference material for support departments. Now, however, the support departments receive the planning assumptions at the same time as the academic departments. This modification is a result of the shortened planning and budgeting cycle and of the insufficient period allowed for academic departments to produce plans and budgets from planning assumptions. The analytical studies team then matches the proposed support department plans and budgets with academic plans and budgets.

Both academic and support departments are required to submit their proposed plans and budgets to the analytical studies team by January 1. The analytical studies team, made up primarily of faculty members, then has six weeks during January and February to process the data. This schedule was adopted because the 4-1-4 school year allows the faculty the most free time during January.

The analytical studies team actually recommends two budgets to the planning team. One, the "B" budget, is somewhat larger than the basic "A" budget. The board approves a preliminary institutional budget in May based on the "A" budget. If there are any additional funds after enrollments are known in September, the "B" budget (or parts of it) goes into effect. The "B" budget thus insures that programs that could be funded with the additional moneys receive priority, reducing the need for a second budget review process.

Around March 1 the analytical studies team forwards both the "A" and "B" budgets to the planning team. The planning team prepares a specific three-year plan and identifies targets for the fourth and fifth years. Planning participants chose to modify the NACUBO plan by reducing the length of the long-range plan; they felt that they were better able to refine goals and estimates within a three-year time span. The governing board approves the institution's final plan and budget at its May meeting.

Current Issues

- The planning officer, president, and chief business officer are attempting to involve the governing board more actively in long-range planning decisions.
- The planning officer is encouraging academic departments to prepare budgets and plans sooner, so that support departments will be able to use them in making their own plans.
- The college is improving the system of management by objectives as it relates to evaluation, working in particular toward a more thorough review of all programs in addition to specific objectives for the year.

St. Mary's University

St. Mary's University, an institution of approximately 3,400 commuting students in the San Antonio area, is affiliated with the Catholic church and serves the Mexican-American population in that area. St. Mary's has the largest enrollment of the institutions included in the case studies. It also has a law school, which gradually developed an autonomy of its own; one of the objectives in instituting a formal planning process was to integrate the law school's planning into that of the entire university.

The stimulus for planning came in 1973, when the institution's chief business officer sought and received presidential approval to begin the planning process.

Staffing Considerations

The university designated a vice-president for planning, who also served as the program officer for the Advanced Institutional Development Program (AIDP). The vice-president's planning office was staffed by two full-time professionals. The vice-president was responsible for gathering planning materials for all participants and for coordinating meetings of the planning team and analytical studies group, as this body is called.

The planning team is chaired by the president and includes all senior administrators: five vice-presidents and the director of the Marianist Community. When implementing plans, the same group comprises the president's executive council. The analytical studies group is composed of faculty members, administrators, and support staff. A faculty member has traditionally chaired the group. Also serving on the analytical studies group are one representative from the undergraduate student body and one from the law school.

Organization and Process

In initiating the planning process, administrators at St. Mary's discovered four issues that required their attention:

- The university's mission statement was not specific enough to support a close integration of the planning and budget processes. Redefining the mission was necessary to enable planners to set goals before developing budgets.
- The business office and the university community in general were not using fund accounting principles that would more closely and accurately monitor the university's fiscal condition.
- Fiscal and demographic data that would allow comparisons between St. Mary's University and other institutions were not easily retrievable.
- The conceptual framework and vocabulary associated with professional planning were not familiar to university planners.

Throughout the initial cycle, planning office staff members instructed members of the analytical studies group to divide their recommendations to the planning team into two categories, a planning model consisting of long-term goals and operational models consisting of immediate operating goals. The analytical studies group thus provided a conceptual link between long-term and immediate priorities. In fact, the analytical studies group often lost sight of long-range goals because of an emphasis on short-range operating goals: while the conceptual link was clear, its practical application was not always possible. Members of the planning team could then prepare a specific one-year budget with four-year extrapolations to correspond with operational and long-term goals.

Planning office staff members concluded during the initial cycle that a shorter version of the planning cycle would be more effective at St. Mary's and shortened the length of the cycle to seven months. In August, planning team members go on a three- to four-day retreat to develop institutional goals in relation to anticipated future assumptions and other related materials. In September, these goals are transmitted to the university community; by the following March, the board of trustees should have received the processed university plans.

The most important aspect of the seven-month planning process at St. Mary's is interaction among faculty members, academic deans, staff members, vice-presidents, and the analytical studies group. Deans and directors of support areas receive planning assumptions and other materials from their respective vice-presidents. Ideally, they discuss these materials with department heads to coordinate efforts among departments and to decide on priorities. Department heads, working with their department members, formulate department plans and budgets (excluding salaries) and deliver them to their respective directors, deans, and vice-presidents, who are encouraged to comment on them. These plans are compiled and organized by the office of planning and are submitted to the planning team in November. The planning team briefly reviews and comments on the plans before forwarding them to the analytical studies group, which reviews these materials and makes recommendations to the planning team. These recommendations are returned to the departments; their unedited response to the analytical studies group's report is submitted with the report to the planning team. This opportunity for department planners to respond to the analytical studies group's analysis and to have the unedited response reviewed by the planning team is an integral part of the process but is not always used by the department planners.

The analytical studies group is scheduled to deliver recommendations and analysis of academic department plans to the planning team in January and of support department plans in March. Ideally, the planning team holds a one- or two-day meeting concerning each set of plans. Completed plans and budgets are transmitted to the board of trustees during their March meeting. The analytical studies group is thus most active between November and March. Because of time and personnel constraints, the analytical studies group has often been forced to concentrate on short-range or operating plans at the expense of long-range planning. This is a practical rather than conceptual problem, as the analytical studies group is aware of this shortcoming in its performance. One solution may be to schedule departmental planning to be completed the previous spring semester. The analytical studies group would then be able to have work sessions during the summer, thus saving the period from November through March for "fine tuning."

Current Issues

- After the resignation of the vice-president for university planning, the office of the vice-president was dismantled. A position of planning assistant to the president is being considered; its effects on the type and quality of planning are of course unknown.
- The purpose and structure of the analytical studies group are being reevaluated. Questions of scheduling the work load and controlling the agenda of the group will probably be considered. (At St. Mary's, agenda control has been exercised through the chairman of the group individually as well as through a spokesperson for the group. The external constraints on departmental plans have always been legitimate agenda items.)
- The vice-president for financial administration is reassessing procedures and programs in the business office that have undergone change under the AIDP-funded Planning, Management, and Evaluation System. The reassessment is expected to reflect the new thrust of integrated planning with wide involvement. It is unclear in what new directions this reassessment might take the university, and at what cost.
- The president's commitment to the planning process is essential for successful implementation by the executive council.

Xavier University

Xavier University is an independent minority institution dedicated to serving economically deprived minority students in the New Orleans area. The university currently has about 1,900 students, most of whom commute, as the small size of the campus limits the number of residence halls.

Xavier has one of the two pharmacy colleges in Louisiana, a definite attraction for a small school. The university was originally dedicated to liberal arts, but current market demands and the school of pharmacy have enlarged the scope of the science program.

Xavier has been involved in the NACUBO planning process longer than any other institution studied. In 1969, the university was one of NACUBO's pilot institutions in a planning project sponsored by the Ford Foundation.

Staffing Considerations

Xavier's planning director, who also serves as the AIDP program officer, is assisted by a full-time planning analyst. The planning director is responsible for conducting institutional research projects and for coordinating and preparing materials used in the planning process.

The planning team is headed by the president and includes all senior administrators, two elected faculty members, and two elected student members.

The analytical studies team consists of the planning director, business officer, three managers from the support area, four faculty members, and one student representative.

Organization and Process

A few years after Xavier implemented its planning process, it became involved in Title III's AIDP program. Because a long-range plan was required for participation in this program, Xavier's administrators concentrated on developing institutional goals and departmental objectives for the planning cycle. They gave less attention to how these objectives applied to the budget; consequently, by the mid-1970s, a gap had developed between the planning and budgeting processes. This situation was aggravated by two other factors: the university had an incremental budgeting process, so that there were no program budgets to match program plans; and the stagnant economic climate limited the governing board's focus to the following year's budget.

Xavier has narrowed the gap between the planning and budgeting processes by adopting a 9-month budget cycle in conjunction with a 12-month planning cycle and by emphasizing resource requirements for planning objectives.

The 12-month planning cycle begins in January and is approved in December. Plans apply to the following March, when the fiscal year begins. The 9-month budget cycle begins in March and ends in December. Its purpose is to adjust previous planning estimates to correspond with actual needs of the current year.

The planning cycle closely resembles the NACUBO model. In January, the planning team develops internal and external planning assumptions and sets goals for the institution. In the spring, members of the planning team relay these plans to academic department heads, who then begin their planning process. Support departments receive academic program plans during the summer months. When Xavier's administrators first implemented the planning process, support department managers found that they lacked the expertise academic department managers had in preparing planning materials; administrators helped the support units to develop better skills and planning techniques for the process. Program plans and budgets are delivered to the analytical studies group by early fall and are then sent on to the planning team late in the fall.

Managers at Xavier have successfully encouraged department heads to specify goals and objectives in quantifiable terms. The planning director found that an effective way to quantify an objective was to develop a detailed strategy for achieving that objective. The business officer found that increased attention to resource requirements for these strategies promoted program budgeting within departments. Departments drew up alternative strategies for achieving objectives to insure that objectives could be achieved with available resources. The analytical studies team then recommended the strategy that they felt was most feasible in terms of projected resources.

Xavier's emphasis on quantification of objectives has facilitated efforts to establish a thorough and effective evaluation process. The evaluation process has been implemented in three steps:

- Departments have been encouraged to emphasize significant, yet attainable, objectives. Objectives must be quantifiable and challenging. Each objective is described in terms of how it is to be accomplished and what resources will be required.
- Evaluation criteria are always designated when an objective has been developed. All objectives must have deadlines, and authorization sign-offs are required from each department. The dean of the university and the planning director hold periodic meetings with department chairpersons to determine the most effective evaluation criteria for increasing institutional goals and departmental objectives.
- Every quarter, a data processing program prints out action strategies for department heads. If, at the end of a quarter, a department has not achieved all of its objectives, the chairperson must submit a special report, using evaluation materials, to the analytical studies team. The planning director eventually hopes to issue monthly statements.

Current Issues

- Departments are learning to quantify their objectives and to provide timely data to the analytical studies team.
- The administration is attempting to extend the length of Xavier's long-range plan to a period greater than the current two years.

The NACUBO Planning Process

The NACUBO planning model allows institutional differences in such areas as academic calendar, leadership demands, and institutional style.

The college planning process must involve participation from all parts of the institution if informed decisions are to be made. This participation is traditional and necessary in educational enterprises, but strong central management is also needed. These two needs—wide participation

and strong central management—make the governance and operation of colleges a complex task. In the future, decisions may need to be made more rapidly and efficiently than most current participatory forms permit. At the same time, decisions must reflect sophistication, knowledge, and insight that a small administrative team may not have.

The NACUBO planning model addresses this challenge by involving the institutional managers who make up the planning team with the faculty and staff members on the analytical studies team. A balance between central control and broadly based participation is thus achieved.

The planning process should integrate planning, budgeting, and evaluation; encourage consideration of future consequences of program decisions; improve understanding of the effects of proposed expenditures on programs; and induce greater congruence between the institution's goals and its programs.

The information requirements of institutions depend on the nature of the planning process used, the need for standard definitions among institutional planning centers, and the need to arrange information in a variety of alternative formats.

Different approaches to planning require different kinds and amounts of information about different subjects at various levels of detail. The data base recommended here has three primary components: institutional research studies, the management information system (MIS), and the accounting system. These must be able to generate information that is reliable and timely if it is to be useful in the planning process.

A more subtle quality of management information and accounting systems is flexibility. Too often, the two systems are considered to be autonomous and unrelated but, in fact, each produces an information component that needs to be synthesized with the other to present comprehensive information for planners. Flexibility also includes the ability to switch from an operational, or day-to-day, information routine to planning projections, using stored data and arraying this data in a format similar to that used for operational data. The institution should also have the capacity to array data in various formats, because management reports are often requested in different ways for different purposes.

Appendix

Exhibit 1
Summary of Long-Range Plan

	Operating data				Planning data			
	Actual 19__-19__	Projection 19__-19__	Budget 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__
General data (sample list)								
Students and faculty								
Total enrollment (head count)								
FTE enrollment								
Total number of faculty (head count)								
FTE faculty								
Student/faculty ratio (based on FTEs)								
Faculty load (in student credit hours)								
Student credit hours offered								
Number of students receiving degrees								
Number of students receiving financial aid								
Total faculty salaries								
Total faculty benefits								
Average faculty salary								
Average faculty benefits								
Staff								
Professional and administrative (FTE)								
Clerical (FTE)								
Other (FTE)								
Student employees (FTE)								
Total staff salaries and wages								
Total staff benefits								
Average staff salaries								
Professional and administrative								
Clerical								
Other								
Students								
Average staff benefits								
Professional and administrative								
Clerical								
Other								
Students								
Endowment and quasi-endowment								
Amount (market value)								
Amount (book value)								
Yield on market value								
Gifts								
Current purposes								
Endowments								
Plant and equipment								
Other								

Exhibit 1, continued

	Operating data			Planning data				
	Actual 19__-19__	Projection 19__-19__	Budget 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__	Plan 19__-19__
Plant and equipment								
Book value								
Replacement value								
Space requirements								
Revenues								
Tuition and fees								
Federal appropriations								
State appropriations								
Local appropriations								
Federal grants and contracts								
State grants and contracts								
Local grants and contracts								
Private gifts, grants, and contracts								
Endowment income								
Sales and services of educational activities								
Sales and services of auxiliary enterprises								
Other sources								
Total revenues								
Expenditures and mandatory transfers (detail as needed)								
Educational and general								
Instruction								
Research								
Public service								
Academic support								
Student services								
Institutional support								
Operation and maintenance of plant								
Scholarships and fellowships								
Mandatory transfers								
Subtotal								
Auxiliary enterprises								
Total expenditures and mandatory transfers								
Difference								
Nonmandatory transfers								
Difference								

Exhibit 2
Academic Department Program Plan

Department _____

For five-year period beginning _____

Course or project* number	Course or project* name	Beginning year	Content	Objectives	Change in resources required (additions or deletions)
	Current				
	Additions				
	Deletions				
	Suggested alternatives				

*"Project" refers to a research or public service project.

Exhibit 3
Academic Program—Expenditure Estimate
Department _____ For five-year period beginning _____

	19__-19__		19__-19__		19__-19__		19__-19__		19__-19__	
	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost
Personnel (FTE)										
Professors										
Number										
Average compensation										
Total compensation										
Associate professors										
Number										
Average compensation										
Total compensation										
Assistant professors										
Number										
Average compensation										
Total compensation										
Instructors										
Number										
Average compensation										
Total compensation										
Nonranked faculty										
Number										
Average compensation										
Total compensation										
Clerical staff										
Number										
Average compensation										
Total compensation										
Other support personnel										
Number										
Average compensation										
Total compensation										
Student employees										
Number										
Average compensation										
Total compensation										
Total personnel										
Equipment (see attached schedule)										
Supplies and expenses										
Travel										
Total										
Less income from other than unrestricted current funds (see attached schedule)										
Net unrestricted current funds requirements										

Exhibit 4

Academic Program—Schedule of Income from Restricted Current Funds

Department _____

For five-year period beginning _____

Sources	19__-19__	19__-19__	19__-19__	19__-19__	19__-19__
Sponsored research projects					
Other sponsored projects					
Restricted endowment income					
Other restricted sources					
Total					

Exhibit 5
Course and Project Data

Department _____
Term _____
Year* _____

Course or project number	Course or project title	Hours per week	Anticipated enrollment	Credit hour value	Student hours per week (D × C)	Student credit hours (D × E)	Preferred section size	Number of sections required (D + H)	Total hours per week (C × I)	Proportion of FTE faculty/ section	FTE faculty for all sections (K × I)	Preferred rank (FTE)**			
A	B	C	D	E	F	G	H	I	J	K	L	FP (1)	AP (2)	AS (3)	I (4)
Total															

*This form is to be completed for each term of the first year of the planning period only
**FP (1) = Full professor
AP (2) = Associate professor
AS (3) = Assistant professor
I (4) = Instructor

Exhibit 6
Departmental Faculty Personnel Requirements

Department _____
Year* _____

Faculty rank	Term	Instruction		Academic counseling		Research		Public Service		Administration		Number of FTE faculty
		Percentage	FTE	Percentage	FTE	Percentage	FTE	Percentage	FTE	Percentage	FTE	
Professor	First											
	Second											
Associate professor	First											
	Second											
Assistant professor	First											
	Second											
Instructor	First											
	Second											
Nonranked faculty	First											
	Second											
Total	First											
	Second											
Average for department	First											
	Second											

*This form is to be completed for the first year of the planning period only

Exhibit 7
Academic Program—Physical Facilities Requirements

Department _____
For five-year period beginning _____

	Present space		19__-19__		19__-19__		19__-19__		19__-19__		19__-19__	
	Number	Hours	Number	Hours	Number	Hours	Number	Hours	Number	Hours	Number	Hours
Instruction and research space												
Seminar rooms												
5-15 student stations												
Classrooms												
16-30 student stations												
31-50 student stations												
Lecture halls												
51-100 student stations												
Over 100 student stations												
Laboratories												
1-10 student stations (research)												
11-20 student stations												
Over 20 student stations												
	Number	Sq. ft.	Number	Sq. ft.	Number	Sq. ft.	Number	Sq. ft.	Number	Sq. ft.	Number	Sq. ft.
Other space												
Offices												
Department library												
Additional												
Conference rooms												
Storage space												
Other												

Exhibit 8
Academic Program—Other Resource Requirements

Department _____
For five-year period beginning _____

	19__-19__		19__-19__		19__-19__		19__-19__		19__-19__		19__-19__	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Library (Describe units.)												
Computer (Describe units.)												
Audiovisual equipment (Describe units.)												

Exhibit 9
Academic Program—Summary of Changes
Year _____

Department	Departmental program objectives	Major changes in program content	New resource requirements	Planned interactions with other programs

Exhibit 10
Academic Program—Expenditure Estimate Summary
For five-year period beginning _____

	Salaries	Benefits	Equipment	Supplies and expense	Travel	Total	Income from restricted current funds	Net unrestricted current funds requirements
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Total academic programs								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								

Exhibit 11
Course and Project Data Summary

Year* _____

Department	Term	Number of courses	Number of sections	Number of projects**	Student hours	Student credit hours	FTE faculty required for all purposes	Preferred rank FP	AS	AP	I	NR	Number of FTE students	Student/ faculty ratio	Average faculty load: Credit hours	Average faculty load: Percentage other uses	FTE clerical staff	FTE other support personnel	FTE student employees
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
	First																		
	Second																		
Totals	First																		
	Second																		

*This form is to be completed for the first year of the planning period only
**Refers to research and public service projects

Exhibit 12
Summary of Faculty Personnel Requirements

Year* _____

Department	Number and rank of FTE faculty** FP	AP	AS	I	NR	Instruction Percentage	Instruction FTE	Academic counseling Percentage	Academic counseling FTE	Research Percentage	Research FTE	Public service Percentage	Public service FTE	Administration Percentage	Administration FTE
Totals															
Averages for the college															

*This form is to be completed for the first year of the planning period only. The data used are to be an average of the terms comprising the year for which data are presented.

**FP = Full professor
AP = Associate professor
AS = Assistant professor
I = Instructor
NR = Nonranked faculty

Exhibit 13
Academic Program--Summary of Physical Facilities Requirements*

Department	Seminar		Classrooms				Lecture halls				Laboratories						Departmental library space		Additional space					
	1-15 Stations		16-30 Stations		31-50 Stations		51-100 Stations		Over 100 Stations		1-10 Stations		11-20 Stations		Over 20 Stations				Conference rooms		Storage space		Other	
	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	HRS.	NO.	SQ. FT.	NO.	SQ. FT.	NO.	SQ. FT.	NO.	SQ. FT.
Name of department																								
Year 1																								
Year 2																								
Year 3																								
Year 4																								
Year 5																								
Name of department																								
Year 1																								
Year 2																								
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Year 4																								
Year 5																								
Name of department																								
Year 1																								
Year 2																								
Year 3																								
Year 4																								
Year 5																								
Total																								
Year 1																								
Year 2																								
Year 3																								
Year 4																								
Year 5																								

*The data used are to be an average of the terms comprising the year for which data are presented.

Exhibit 14
Support Program Plan

Department _____

For five-year period beginning _____

Activities	Year of change	Work load quantity		Objectives of change	General description of change in resource requirements
		Units	Description		
Continuation (list) (Provide a reasonably detailed list of activities performed by the department.)					
Changes (list) (Express in terms of level of activity (work load), change in standards, and similar factors.)					

Exhibit 15
Support Services—Expenditure Estimate

Department _____
For five-year period beginning _____

	19__-19__		19__-19__		19__-19__		19__-19__		19__-19__	
	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost	Number and average compensation	Total cost
Personnel										
Administrative and professional										
Number										
Average compensation										
Total compensation										
Clerical										
Number										
Average compensation										
Total compensation										
Other										
Number										
Average compensation										
Total compensation										
Student employees										
Number										
Average compensation										
Total compensation										
Total personnel										
Equipment (see attached schedule)										
Supplies and expense										
Travel										
Total										
Less income from restricted current funds (see attached schedule)										
Net unrestricted current funds requirements										

Exhibit 16
Support Services—Schedule of Income from Restricted Current Funds

Department _____
For five-year period beginning _____

Sources	19__-19__	19__-19__	19__-19__	19__-19__	19__-19__
(List individual sources.)					
Total					

Exhibit 17
Support Services—Physical Facilities and Other Resource Requirements

Department _____
For five-year period beginning _____

	Present space assigned or present usage	19__-19__	19__-19__	19__-19__	19__-19__	19__-19__
Private office space (List detail of changes—e.g., reduction, addition, or rehabilitation.)						
Working space (List detail of changes.)						
Storage space (List detail of changes.)						
Reception and other space (List detail of changes.)						
Total						
Computer (Describe units.)						

Exhibit 18
Support Services Plan—Summary of Changes

Department _____

	Changes in activities	Objectives of change	New resource requirements	Planned interaction with other programs
Academic support				
Student services				
Institutional support				
Operation and maintenance of plant				

Exhibit 19
Support Services—Expenditure Estimate Summary

For five-year period beginning _____

Department	Salaries	Benefits	Equipment	Supplies and expense	Travel	Total	Income from restricted current funds	Net unrestricted current requirements
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 3								
Year 4								
Year 5								
Name of department								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								
Total								
Year 1								
Year 2								
Year 3								
Year 4								
Year 5								

Exhibit 20
Support Services—Summary of Physical Facilities Requirements

For five-year period beginning _____

Department and description	Space requirements 19__-19__	19__-19__	19__-19__	19__-19__	19__-19__	Comments as to special nature of facilities required
Name of department						
Private office space						
Work space						
Storage space						
Reception and other space						
Total space						
Name of department						
Private office space						
Work space						
Storage space						
Reception and other space						
Total space						
Name of department						
Private office space						
Work space						
Storage space						
Reception and other space						
Total space						
Total						
Private office space						
Work space						
Storage space						
Reception and other space						
Total space						

Exhibit 21
Estimate of Unrestricted Current Funds Revenue

For five-year period beginning _____

	19__-19__	19__-19__	19__-19__	19__-19__	19__-19__
Revenues by source					
Tuition and fees					
Federal appropriations					
State appropriations					
Local appropriations					
Federal grants and contracts					
State grants and contracts					
Local grants and contracts					
Private gifts, grants, and contracts					
Endowment income					
Sales and services of educational activities					
Sales and services of auxiliary enterprises					
Other sources					
Total					

Exhibit 22
Schedule of Anticipated Gifts and Grants

For five-year period beginning _____

Category	19__-19__	19__-19__	19__-19__	19__-19__	19__-19__
Current unrestricted					
Individuals					
Corporations					
Foundations					
Churches					
Others					
Total					
Restricted for instruction					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Restricted for research					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Restricted for public service					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Restricted for student aid					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Additions to endowment					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Additions to plant					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					
Other					
Individuals					
Corporations					
Foundations					
Governments					
Others					
Total					

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